Senate Bill No. 96

CHAPTER 356

An act to amend Section 1352 of, to add Section 2850.5 to, and to repeal Section 712.5 of, the Fish and Game Code, to amend Sections 927.9, 11549.3, and 51018 of, and to add Section 1304 to, the Government Code, to amend Section 44299.91 of the Health and Safety Code, to amend Section 12211 of the Public Contract Code, to amend Sections 4785, 5018.1, 5080.18, 5096.650, 14538, 14539, 14549.5, 14553, 14572, 14591, 25751, 26052, 26055, 26060, 26062, 26063, 35600, 35605, 35625, 42977, 48704, 71300, 71301, 71302, 71303, 71304, and 71305 of, to add Sections 25711.5 and 25711.7 to, and to repeal Sections 4124 and 4515 of, the Public Resources Code, to amend Sections 309.5, 2851, and 5900 of, and to add Sections 318, 740.5, 854.5, and 2120 to, the Public Utilities Code, to add Section 104.22 to the Streets and Highways Code, and to amend Section 85200 of, and to add Section 10001.7 to, the Water Code, and to repeal Section 34 of Chapter 718 of the Statutes of 2010, relating to public resources, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor September 26, 2013. Filed with Secretary of State September 26, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

SB 96, Committee on Budget and Fiscal Review. Budget Act of 2013: public resources.

(1) Existing law requires that any moneys appropriated from the Public Resources Account in the Cigarette and Tobacco Products Surtax Fund for programs to protect, restore, enhance, or maintain waterfowl habitat be transferred to the Department of Fish and Wildlife for expenditure for those same purposes.

Existing law requires that any moneys appropriated to the Department of Fish and Wildlife from the California Environmental License Plate Fund in an amount not to exceed the amount transferred to the Department of Fish and Wildlife pursuant to the above provisions be transferred to the Department of Parks and Recreation for expenditure for exclusive trust purposes that include, among other things, the acquisition, preservation, restoration, or any combination thereof, of natural areas or ecological reserves.

This bill would repeal these provisions.

(2) The Wildlife Conservation Law of 1947 authorizes the Wildlife Conservation Board to, among other things, authorize the Department of Fish and Wildlife to lease, sell, exchange, or otherwise transfer any real property, interest in real property, or option acquired by or held under the

jurisdiction of the board or the department. The law also authorizes the board to authorize the department to lease degraded potential wildlife habitat real property to nonprofit organizations, local governmental agencies, or state and federal agencies if specified conditions are met. The law requires proceeds from specified transactions, including leases, entered into pursuant to these provisions to be deposited into the Wildlife Restoration Fund, except as provided.

This bill would require any moneys received in the Wildlife Restoration Fund from leases pursuant to these provisions to be expended, upon appropriation, by the Department of Fish and Wildlife for the purposes of managing, maintaining, restoring, or operating lands owned and managed by the department.

(3) The California Prompt Payment Act dictates that a state agency that fails to make a timely payment for goods or services acquired pursuant to a contract with a specified business or organization is subject to a late payment penalty. The act requires state agencies, on an annual basis within 90 calendar days following the end of each fiscal year, to provide the Director of General Services with a report on late payment penalties that were paid by the agency during the preceding fiscal year.

This bill would exclude the Department of Forestry and Fire Protection from the above-described reporting requirements.

(4) Existing law provides for the appointment of Members of the Legislature to various state boards and commissions.

This bill would authorize the Speaker of the Assembly and the Senate Rules Committee to appoint a Member of the Legislature or legislative staff to serve as an alternate to a Member of the Legislature appointed to a state board or commission within the Natural Resources Agency in the Member's absence.

(5) Existing law creates the Office of Information Security in the Department of Technology, to ensure the confidentiality, integrity, and availability of state systems and applications, and to promote and protect consumer privacy to ensure the trust of the residents of the state. The office is under the direction of a director. Existing law authorizes the office to conduct, or require to be conducted, independent security assessments of any state agency, department, or office, the cost of which is required to be funded by the state agency, department, or office being assessed.

This bill would prohibit the office from requiring an independent security assessment of the Department of Forestry and Fire Protection.

(6) Existing law requires the State Fire Marshal to issue a report identifying pipeline leak incident rate trends, reviewing current regulatory effectiveness with regard to pipeline safety, and recommending any necessary changes to the Legislature. Existing law requires a pipeline operator, within 30 days of a pipeline rupture, explosion, or fire, to file a report with the State Fire Marshal.

This bill would delete these requirements.

(7) Existing law, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition

1B at the November 7, 2006, statewide general election, authorizes the issuance of $19,925,000,000 of general obligation bonds for specified purposes, including schoolbus retrofit and replacement purposes. Existing law also establishes various programs for the reduction of vehicular air pollution, including the Lower-Emission School Bus Program adopted by the State Air Resources Board. Existing law appropriates funds to the state board and requires the state board to allocate these bond funds in specified ways, including funding to local air pollution control and air quality management districts.

This bill would require funds authorized by the State Air Resources Board during or subsequent to the 2013–14 fiscal year to be allocated to local air pollution control and air quality management districts by prioritizing to retrofit or replace the most polluting schoolbuses in small local air pollution control and air quality management districts first and then medium local air pollution control and air quality management districts as defined by the state board. The bill would require each allocation to provide sufficient funding for at least one project to be implemented pursuant to the Lower-Emission School Bus Program. The bill, if a local air pollution control or air quality management district has unspent funds within 6 months of the expenditure deadline, would require the local air pollution control or air quality management district to work with the state board to transfer those funds to an alternative local air pollution control or air quality management district with existing demand.

(8) Existing law requires a state agency to report annually to the Department of Resources Recycling and Recovery on its progress in meeting recycled product purchasing requirements and requires the Department of Resources Recycling and Recovery to provide this reported information to the Legislature in an agency-specific report.

This bill would exempt the Department of Forestry and Fire Protection from this reporting requirement and would delete the requirement that the Department of Resources Recycling and Recovery provide the report to the Legislature.

(9) Existing law requires the Department of Forestry and Fire Protection to submit an annual report to the Joint Legislative Budget Committee regarding emergency incidents.

This bill would delete this requirement and other obsolete reporting provisions.

(10) Existing law requires the State Board of Forestry and Fire Protection to submit a report to the Legislature on the actions taken by the board relating to forest practices, as provided. Existing law requires the Department of Forestry and Fire Protection to prepare reports for the board setting forth data as to the experiments conducted by the department, and existing law requires the board to make these reports available to the Legislature.

This bill would delete the requirements that the board provide these reports to the Legislature.

(11) Existing law authorizes the Department of Finance to delegate to the Department of Parks and Recreation the right to exercise the same

authority granted to the Division of the State Architect and the Real Estate Services Division in the Department of General Services, to plan, design, construct, and administer contracts and professional services for legislatively approved capital outlay projects. This provision is repealed as of January 1, 2014.

This bill would extend the repeal date to January 1, 2019.

(12) Existing law authorizes the Department of Parks and Recreation to enter into contracts with natural persons, corporations, partnerships, and associations for the construction, maintenance, and operation of concessions within units of the state park system. Existing law requires those concession contracts to contain certain specified provisions, including a provision that the maximum term shall be 10 years, except that a term of more than 10 years may be provided if the Director of Parks and Recreation determines that the longer term is necessary to allow the concessionaire to amortize improvements made by the concessionaire, to facilitate the full utilization of a structure that is scheduled by the department for replacement or redevelopment, or to serve the best interests of the state. Existing law prohibits, with certain exceptions, the term of a concession contract from exceeding 20 years without specific authorization by statute.

This bill would authorize the term to exceed 20 years for a concession agreement at Will Rogers State Beach executed prior to December 31, 1997, as provided, without specific authorization by statute upon approval by the director and pursuant to a determination by the director that the longer term is necessary to allow the concessionaire to amortize improvements made by the concessionaire that are anticipated to exceed $1,500,000 in capital improvements. The bill would prohibit the extension of the term from exceeding 15 years.

(13) Existing law, the California Clean Water, Clean Air, and Safe Neighborhood Parks, and Coastal Protection Act of 2002, approved by the voters as Proposition 40 at the March 5, 2002, statewide primary election, authorizes the issuance of bonds in the amount of $2,600,000,000, for the purpose of financing a program for the acquisition, development, restoration, protection, rehabilitation, stabilization, reconstruction, preservation, and interpretation of park, coastal, agricultural land, air, and historical resources, as specified.

Proposition 40 requires that a specified sum from the proceeds of bonds issued and sold under its provisions, which is available upon appropriation by the Legislature, be allocated to the State Air Resources Board for grants to air pollution control and air quality management districts pursuant to the Carl Moyer Memorial Air Quality Standards Attainment Program for projects that reduce air pollution that affects air quality in state and local park and recreation areas.

This bill would require that allocations of these funds to the Lower-Emission School Bus Program be prioritized to retrofit or replace the most polluting schoolbuses in small local air quality management districts first and then to medium local air quality management districts as defined by the state board. The bill would require that each allocation for this purpose

provide enough funding for at least one project to be implemented pursuant to the Lower-Emission School Bus Program. The bill, if a local air quality management district has unspent funds within 6 months of the expenditure deadline, would require the local air quality management district to work with the state board to transfer funds to an alternative local air quality management district with existing demand.

(14) Existing law, the California Beverage Container Recycling and Litter Reduction Act, requires a distributor to pay a redemption payment for every beverage container sold or offered for sale in the state to the Department of Resources Recycling and Recovery. The act requires that every convenience zone be served by at least one certified recycling center and the department is required to certify recycling centers and processors for purposes of the act. The Director of Resources Recycling and Recovery is required to adopt, by regulation, procedures for the certification of recycling centers and processors.

This bill would require the Department of Resources Recycling and Recovery to review whether an application for certification as a recycling center or processor, or renewal of a certification, is complete within 30 working days of receipt and if the department deems an application complete, the department would be required to approve or deny the application no later than 60 calendar days after the date when the application was deemed complete. The bill would also require, on and after January 1, 2014, an applicant for certification as a recycling center or processor, or for renewal of a certification, to complete a precertification training program and meet all other qualification requirements prescribed by the department, which would be authorized to include requiring the applicant to obtain a passing score on an examination administered by the department.

(15) Existing law specifies requirements for the reports, claims, and information required to be submitted to the Department of Resources Recycling and Recovery pursuant to the act.

This bill would instead require a person otherwise subject to these requirements to use the Division of Recycling Integrated Information System (DORIIS) or other system designated by the Department of Resources Recycling and Recovery for reporting, making, or claiming payments or providing other information for purposes of the act.

(16) Existing law requires certified recycling centers to accept any empty beverage container from a consumer or dropoff or collection program and pay the refund value, which can be based on weight. Existing law requires the department to review and calculate the commingled rates paid for beverage containers and postfilled containers paid to curbside recycling programs, collection programs, and recycling centers.

This bill would require, on and after September 1, 2013, a certified recycling center, for beverage containers redeemed by consumers, to pay the refund value based on the applicable segregated rate. The bill would delete recycling centers from those entities for which the department is required to calculate a commingled rate.

(17) Existing law provides that a violation of the act is an infraction. The act also provides that a person who, with intent to defraud, takes specified actions, is guilty of fraud, punishable as specified.

This bill would additionally provide that a person who violates a regulation adopted pursuant to the act is guilty of an infraction. The bill would instead specify that a person who, with intent to defraud, takes those actions knowingly is guilty of a crime, punishable as specified.

(18) Because a violation of the act is a crime, the bill would impose a state-mandated local program by creating new crimes with regard to the submission of information to the department, the payment of refund values, and the violation of a regulation.

(19) The California Constitution establishes the Public Utilities Commission, with jurisdiction over all public utilities, as defined. The Reliable Electric Service Investments Act required the Public Utilities Commission to require the state's 3 largest electrical corporations, until January 1, 2012, to identify a separate electrical rate component, commonly referred to as the "public goods charge," to collect specified amounts to fund energy efficiency, renewable energy, and research, development, and demonstration programs that enhance system reliability and provide in-state benefits. Existing decisions of the Public Utilities Commission institute an Electric Program Investment Charge (EPIC) to fund renewable energy and research, development, and demonstration programs.

Existing law creates in the State Treasury the Electric Program Investment Charge Fund to be administered by the State Energy Resources Conservation and Development Commission and requires moneys received by the Public Utilities Commission for those programs the Public Utilities Commission has determined should be administered by the State Energy Resources Conservation and Development Commission to be forwarded by the Public Utilities Commission to the State Energy Resources Conservation and Development Commission at least quarterly for deposit in the fund.

This bill would require the State Energy Resources Conservation and Development Commission, in administering moneys in the fund for research, development, and demonstration programs, to develop and administer the EPIC program for the purpose of awarding funds to projects that may lead to technological advancement and breakthroughs to overcome barriers that prevent the achievement of the state's statutory energy goals and that may result in a portfolio of projects that is strategically focused and sufficiently narrow to make advancement on the most significant technological challenges. The bill would require the State Energy Resources Conservation and Development Commission, no later than April 30 of each year, to prepare and submit to the Legislature an annual report regarding the EPIC program.

This bill would prohibit the Public Utilities Commission from requiring the collection of moneys pursuant to a specified decision and any amendments to that decision in an annual amount greater than the amount set forth in that decision of the Public Utilities Commission.

(20) Existing law establishes the Emerging Renewable Resources Account, a continuously appropriated account, within the Renewable Resource Trust Fund for specified purposes related to renewable energy.

This bill would additionally authorize the use of the moneys in the account for the purposes of funding the New Solar Homes Partnership. Because the bill would expand the purposes of a continuously appropriated account, the bill would make an appropriation.

(21) Existing law defines a PACE program as a program that is financed by a PACE bond. Existing law requires the California Alternative Energy and Advanced Transportation Financing Authority to develop and administer a PACE Reserve program to reduce the overall costs to property owners of a Property Assessed Clean Energy bond, or PACE bond, issued by an applicant that has established a Property Assessed Clean Energy program, or PACE program, by providing a reserve of no more than 10% of the initial amount of the PACE bond. Existing law, in 2010, appropriates, until January 1, 2015, $50,000,000 from the Renewable Resource Trust Fund for the above purpose.

This bill would additionally require the authority to develop and administer a PACE risk mitigation program for PACE loans to increase their acceptance in the marketplace and protect against the risk of default and foreclosure. The bill would additionally include a PACE loan program as a PACE program. Because this bill would expand the use of the moneys appropriated by existing law, this bill would make an appropriation.

(22) Existing law requires the Department of Fish and Wildlife to regulate the protection of marine plants and animals in marine protected areas, as defined.

Existing law establishes the Ocean Protection Council in state government, and prescribes the membership, terms of office, and functions and duties of the council.

This bill would require that, commencing on July 1, 2013, the Ocean Protection Council assume responsibility for the direction of policy of marine protected areas.

(23) Existing law requires that at the Ocean Protection Council's first meeting in a calendar year, the council elect a chairperson from among its voting members.

This bill would delete that requirement and would instead require that the Secretary of the Natural Resources Agency serve as the chairperson of the Ocean Protection Council, and that the Secretary for Environmental Protection serve as the vice chairperson of the council. The bill would require that the Assistant Secretary for Coastal Matters at the Natural Resources Agency be designated as the Deputy Secretary of the Natural Resources Agency for Ocean and Coastal Policy, and would require the deputy secretary to also serve as the executive director for the council.

(24) Existing law authorizes the Legislature to make appropriations directly to the State Coastal Conservancy for expenditures authorized by the council for specified purposes related to the regulation of coastal development and protection.

This bill would instead authorize the Legislature to make those appropriations directly to the Secretary of the Natural Resources Agency for those expenditures authorized by the council for specified purposes related to the regulation of coastal development and protection. The bill would also require that any bond funds received by the State Coastal Conservancy, on or before July 1, 2013, authorized to fund Ocean Protection Council's programs be transferred to the Natural Resources Agency for use for those programs. The bill would provide for the transfer to the secretary of certain functions and duties of the State Coastal Conservancy with regard to the implementation of contracts and grants on behalf of the council.

(25) The California Integrated Waste Management Act of 1989, administered by the Department of Resources Recycling and Recovery, requires a manufacturer of carpets sold in this state, individually or through a carpet stewardship organization, to submit a carpet stewardship plan to the department. A manufacturer or carpet stewardship organization submitting a carpet stewardship plan is required to pay the department an annual administrative fee, as determined by the department. The department is also required to identify the direct development or regulatory costs incurred by the department prior to the submittal of carpet stewardship plans and to establish a fee in an amount adequate to cover those costs, that is required to be paid in 3 equal payments by a carpet stewardship organization that submits a carpet stewardship plan. Existing law establishes the Carpet Stewardship Account in the Integrated Waste Management Fund and requires these fees to be deposited in that account, for expenditure by the department, upon appropriation by the Legislature, to cover the department's cost to implement the carpet stewardship program provisions.

This bill would instead require a carpet stewardship organization to pay these fees quarterly to the Department of Resources Recycling and Recovery and would make conforming changes regarding those requirements.

(26) The act requires a manufacturer of architectural paint or designated stewardship organization to submit to the Department of Resources Recycling and Recovery an architectural paint stewardship plan to develop and implement a recovery program to manage the end of life of postconsumer architectural paint. A stewardship organization is required to pay the department an annual administrative fee in the amount that is sufficient to cover the department's full costs of administering and enforcing the program. The fee is required to be deposited in the Architectural Paint Stewardship Account in the Integrated Waste Management Fund, which may be expended by the department, upon appropriation by the Legislature, to cover the department's costs to implement the architectural paint stewardship program provisions.

This bill would require the stewardship organization to pay the fees quarterly and would require the Department of Resources Recycling and Recovery to impose the fees in an amount that includes any program development costs or regulatory costs incurred by the department prior to the submittal of the stewardship plans.

(27) Existing law establishes the Office of Education and the Environment in the Department of Resources Recycling and Recovery to implement the statewide environmental educational program and requires the office, in cooperation with the State Department of Education and the State Board of Education, to develop and implement a unified education strategy on the environment for elementary and secondary schools in the state. The Governor's Reorganization Plan No. 2 of 2012, which will become effective July 1, 2013, provides that CalRecycle is transferred from the Natural Resources Agency to the California Environmental Protection Agency.

This bill would make conforming changes with regard to the establishment of the office in the Department of Resources Recycling and Recovery.

(28) Existing law requires the Office of Education and the Environment to develop a model environmental curriculum incorporating certain environmental principles and to submit the model curriculum to the Curriculum Development and Supplemental Materials Commission for review, as prescribed.

This bill would instead require the model curriculum to be submitted to the Instructional Quality Commission for review.

(29) Existing law requires the State Department of Education to make the curriculum available electronically and requires the California Environmental Protection Agency to assume the costs associated with the printing of the approved model curriculum.

This bill would instead require the Department of Resources Recycling and Recovery to make the curriculum available electronically and would delete the requirement with regard to the assumption of those costs. The bill would require the department to coordinate with specified state agencies to facilitate use of the model environmental curriculum and would authorize the department and those state agencies to collaborate with other specified entities to implement the program.

(30) Existing law establishes the Environmental Education Account in the State Treasury and authorizes the California Environmental Protection Agency to expend the moneys in the account, upon appropriation by the Legislature, for purposes of the program.

This bill would instead authorize the Department of Resources Recycling and Recovery to expend the funds in the account.

(31) Existing law establishes the Division of Ratepayer Advocates within the Public Utilities Commission to represent the interests of public utility customers and subscribers, with the goal of obtaining the lowest possible rate for service consistent with reliable and safe service levels. Existing law requires the Director of the Division of Ratepayer Advocates to submit a budget to the Public Utilities Commission for final approval. Existing law authorizes the director of the division to appoint a lead attorney to represent the division and requires all attorneys assigned by the Public Utilities Commission to perform services for the division to report to and be directed by the lead attorney for the division.

This bill would rename the Division of Ratepayer Advocates the Office of Ratepayer Advocates and would require that the director of the office

develop a budget for the office that would be submitted to the Department of Finance for final approval. The bill would require the lead attorney to obtain adequate legal personnel for the work to be conducted by the office from the Public Utilities Commission's attorney and requires the Public Utilities Commission's attorney to timely and appropriately fulfill all requests for legal personnel made by the lead attorney for the office, provided the office has sufficient moneys and positions in its budget for the services requested.

(32) Existing law establishes the Public Utilities Commission Utilities Reimbursement Account and authorizes the Public Utilities Commission to annually determine a fee to be paid by every public utility providing service directly to customers or subscribers and subject to the jurisdiction of the Public Utilities Commission, except for a railroad corporation. The Public Utilities Commission is required to establish the fee, with the approval of the Department of Finance, to produce a total amount equal to that amount established in the authorized Public Utilities Commission budget for the same year, and an appropriate reserve to regulate public utilities, less specified sources of funding.

This bill would require the Public Utilities Commission to conduct a zero-based budget for all of its programs by January 10, 2015.

(33) Existing law authorizes certain public utilities, including electrical corporations and gas corporations, as defined, to propose research and development programs and authorizes the Public Utilities Commission to allow inclusion of expenses for research and development in rates. Existing law requires the Public Utilities Commission to consider specified guidelines in evaluating the research, development, and demonstration programs proposed by electrical corporations and gas corporations.

This bill would prohibit the Public Utilities Commission, in implementing the 21st Century Energy System Decision, as defined, from authorizing recovery from ratepayers of any expense for research and development projects that are not for purposes of cyber security and grid integration and would limit total funding for research and development projects for the purposes of cyber security and grid integration from exceeding $35,000,000. The bill would require that all cyber security and grid integration research and development projects be concluded by the 5th anniversary of their start date. The bill would prohibit the Public Utilities Commission from approving recovery from ratepayers of certain program management expenditures proposed in the 21st Century Energy System Decision proceeding. The bill would require the Public Utilities Commission to require the Lawrence Livermore National Laboratory, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company to ensure that research parameters reflect a new contribution to cyber security and grid integration and that there not be a duplication of research being done by other private and governmental entities. The bill would require the participating electrical corporations to jointly report specified information to the Public Utilities Commission by December 1, 2013, and 60 days following conclusion of all research and development projects, and would

require the Public Utilities Commission, upon determining that each report is sufficient, to report that information to the Legislature.

(34) Existing law requires the Public Utilities Commission, by January 10 of each year, to report to the Joint Legislative Budget Committee and appropriate fiscal and policy committees of the Legislature on all sources and amounts of funding and actual and proposed expenditures, including any costs to ratepayers, related to specified entities or programs established by the Public Utilities Commission by order, decision, motion, settlement, or other action, including, but not limited to, the California Clean Energy Fund, the California Emerging Technology Fund, and the Pacific Forest and Watershed Lands Stewardship Council, and any entities or programs, other than those expressly authorized by statute, that are established by the Public Utilities Commission under specified statutes.

This bill would prohibit the Public Utilities Commission, by order, decision, motion, settlement, or other action, from establishing a nonstate entity, as defined, with any moneys other than those moneys that would otherwise belong to the public utility's shareholders. The bill would prohibit the Public Utilities Commission from entering into a contract with any nonstate entity in which a person serves as an owner, director, or officer while serving as a commissioner. The bill would provide that any contract between the Public Utilities Commission and a nonstate entity is void and ceases to exist by operation of law if a person who was a commissioner at the time the contract was awarded, entered into, or extended, on or after January 1, 2014, becomes an owner, director, or officer of the nonstate entity while serving as a commissioner.

(35) The California Constitution provides that the Legislature may remove a commissioner of the Public Utilities Commission for incompetence, neglect of duty, or corruption, ⅔ of the membership of each house concurring.

This bill would, beginning June 1, 2014, provide that a commissioner who acts as an owner, director, or officer of a nonstate entity that was established prior to January 1, 2014, as a result of an order, decision, motion, settlement, or other action by the Public Utilities Commission in which the commissioner participated, neglects his or her duty and may be removed pursuant to the California Constitution.

(36) The Public Utilities Act provides for the imposition of fines and penalties by the Public Utilities Commission for various violations of the act and provides that any public utility that violates any provision of the California Constitution or the act, or that fails or neglects to comply with any order, decision, decree, rule, direction, demand, or requirement of the Public Utilities Commission, where a penalty has not otherwise been provided, is subject to a penalty of not less than $500 and not more than $50,000 for each offense. The act authorizes the Public Utilities Commission to bring an action to recover fines and penalties imposed pursuant to the act in the superior court and requires that all fines and penalties recovered by the state in an action filed in the superior court, together with the costs of bringing the action, be paid into the State Treasury to the credit of the General Fund.

This bill would prohibit the Public Utilities Commission from distributing, expending, or encumbering any moneys received by the Public Utilities Commission as a result of any Public Utilities Commission proceeding or judicial action until the Public Utilities Commission provides the Director of Finance with written notification of the receipt of the moneys and the basis for these moneys being received by the Public Utilities Commission and the director provides not less than 60 days written notice to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the appropriate budget subcommittees of the Assembly and Senate of the receipt of the moneys and the basis for those moneys being received by the Public Utilities Commission.

(37) Decisions of the Public Utilities Commission adopted the California Solar Initiative. Existing law requires the Public Utilities Commission to undertake certain steps in implementing the California Solar Initiative. Existing law requires the Public Utilities Commission to ensure that the total cost of the California Solar Initiative over the duration of the program does not exceed $3,350,000,000, including $400,000,000 from the Emerging Renewable Resources Account within the Renewable Resource Trust Fund, for programs for the installation of solar energy systems, as defined, on new construction administered by the State Energy Resources Conservation and Development Commission, known as the New Solar Homes Partnership Program.

This bill would authorize the Public Utilities Commission, if it is notified by the State Energy Resources Conservation and Development Commission that funding available pursuant to the Emerging Renewable Resources Account for the New Solar Homes Partnership Program has been exhausted, to require an electrical corporation to continue administration of the program pursuant to the guidelines established for the program by the State Energy Resources Conservation and Development Commission, until the funding limit of $400,000,000 has been reached. The bill would require the Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission, to supervise the administration of the continuation of the New Solar Homes Partnership Program by an electrical corporation. The bill would authorize an electrical corporation to elect to have a 3rd-party administer the utility's continuation of the program.

(38) Existing law authorizes the Department of Transportation to acquire real property for state highway purposes. Existing law specifies various procedures to be followed by the department when it determines that real property acquired for state highway purposes is no longer necessary for those purposes, generally under terms and conditions established by the California Transportation Commission.

This bill would require the Department of Transportation to transfer certain real property it owns in the City of San Diego to the Department of Parks and Recreation for incorporation into the state park system. The bill would require the transfer to be completed within 90 days of the effective date of the bill. The bill would make various findings and declarations in that regard.

(39) Under existing law, the Department of Water Resources operates the State Water Project and exercises other functions relating to the state's water resources. Under the Federal Power Act, the Federal Energy Regulatory Commission, or FERC, is responsible for the relicensing of federally licensed hydroelectric power projects.

This bill would require the Director of Finance to notify the Joint Legislative Budget Committee of any hydroelectric power project relicensing proposal for the FERC that, if approved by the Department of Water Resources, would obligate the General Fund in the current or future years. This bill would authorize the department to approve that relicensing proposal not less than 30 days after the director notifies the committee.

(40) Existing law, the Sacramento-San Joaquin Delta Reform Act of 2009, establishes the Delta Stewardship Council, consisting of 7 voting members. Existing law prohibits a member of the council from serving 2 consecutive terms, but permits a member to be reappointed after a period of 2 years following the end of his or her term.

This bill would eliminate the above-described prohibition.

(41) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(42) This bill would reappropriate to the Coachella Valley Mountains Conservancy the balance of a specified appropriation made in the Budget Act of 2010, the moneys to be available for capital outlay or local assistance until June 30, 2016.

(43) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 712.5 of the Fish and Game Code is repealed.

SEC. 2. Section 1352 of the Fish and Game Code is amended to read:

1352. (a) The money in the Wildlife Restoration Fund, as provided for by Section 19632 of the Business and Professions Code, is available for expenditure under any provision of this chapter.

(b) All federal moneys made available for projects authorized by the board shall be deposited in the Wildlife Restoration Fund. Any unexpended balances of the federal moneys remaining on or after June 30, 1979, in any other fund shall be transferred to the Wildlife Restoration Fund.

(c) Any moneys received in the Wildlife Restoration Fund from leases authorized pursuant to paragraph (2) or (3) of subdivision (c) of Section 1348 shall be expended, upon appropriation, by the department for the purposes of managing, maintaining, restoring, or operating lands owned and managed by the department.

SEC. 3. Section 2850.5 is added to the Fish and Game Code, to read:

2850.5. Notwithstanding any other law and consistent with the authority granted under Section 2860, commencing on July 1, 2013, the Ocean Protection Council shall assume responsibility for the direction of policy of marine protected areas (MPAs).

SEC. 4. Section 927.9 of the Government Code is amended to read:

927.9. (a) Except as provided in subdivision (c), on an annual basis, within 90 calendar days following the end of each fiscal year, state agencies shall provide the Director of General Services with a report on late payment penalties that were paid by the state agency in accordance with this chapter during the preceding fiscal year.

(b) The report shall separately identify the total number and dollar amount of late payment penalties paid to small businesses, other businesses, and refunds or other payments to individuals. State agencies may, at their own initiative, provide the director with other relevant performance measures. The director shall prepare a report separately listing the number and total dollar amount of all late payment penalties paid to small businesses, other businesses, and refunds and other payments to individuals by each state agency during the preceding fiscal year, together with other relevant performance measures, and shall make the information available to the public.

(c) The reporting requirements of subdivisions (a) and (b) are not applicable to the Department of Forestry and Fire Protection.

SEC. 5. Section 1304 is added to the Government Code, to read:

1304. (a) The Speaker of the Assembly or the Senate Committee on Rules may appoint a Member of the Legislature or legislative staff to serve as an alternate for a Member of the Legislature appointed to a state board or commission within the Natural Resources Agency in the Member's absence.

(b) An alternate designated pursuant to this section shall exercise all of the rights, privileges, and powers that are available to the Member with respect to serving on the board or commission within the Natural Resources Agency. The alternate designated pursuant to this section may not vote and shall adhere to the same rules of conduct as a voting member and serve at the pleasure of the Speaker of the Assembly or the Senate Committee on Rules.

(c) An alternate designated pursuant to this section shall serve on the board or commission within the Natural Resources Agency only during the period for which the Member may serve on the board or commission.

SEC. 6. Section 11549.3 of the Government Code is amended to read:

11549.3. (a) The director shall establish an information security program. The program responsibilities include, but are not limited to, all of the following:

(1) The creation, updating, and publishing of information security and privacy policies, standards, and procedures for state agencies in the State Administrative Manual.

(2) The creation, issuance, and maintenance of policies, standards, and procedures directing state agencies to effectively manage security and risk for both of the following:

(A) Information technology, which includes, but is not limited to, all electronic technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval, telecommunications, requisite system controls, simulation, electronic commerce, and all related interactions between people and machines.

(B) Information that is identified as mission critical, confidential, sensitive, or personal, as defined and published by the Office of Information Security.

(3) The creation, issuance, and maintenance of policies, standards, and procedures directing state agencies for the collection, tracking, and reporting of information regarding security and privacy incidents.

(4) The creation, issuance, and maintenance of policies, standards, and procedures directing state agencies in the development, maintenance, testing, and filing of each agency's disaster recovery plan.

(5) Coordination of the activities of agency information security officers, for purposes of integrating statewide security initiatives and ensuring compliance with information security and privacy policies and standards.

(6) Promotion and enhancement of the state agencies' risk management and privacy programs through education, awareness, collaboration, and consultation.

(7) Representing the state before the federal government, other state agencies, local government entities, and private industry on issues that have statewide impact on information security and privacy.

(b) An information security officer appointed pursuant to Section 11546.1 shall implement the policies and procedures issued by the Office of Information Security, including, but not limited to, performing both of the following duties:

(1) Comply with the information security and privacy policies, standards, and procedures issued pursuant to this chapter by the Office of Information Security.

(2) Comply with filing requirements and incident notification by providing timely information and reports as required by policy or directives of the office.

(c) (1) Except as provided in paragraph (2), the office may conduct, or require to be conducted, independent security assessments of any state agency, department, or office, the cost of which shall be funded by the state agency, department, or office being assessed.

(2) The office shall not conduct, or require to be conducted, independent security assessments of the Department of Forestry and Fire Prevention.

(d) The office may require an audit of information security to ensure program compliance, the cost of which shall be funded by the state agency, department, or office being audited.

(e) The office shall report to the Department of Technology any state agency found to be noncompliant with information security program requirements.

SEC. 7. Section 51018 of the Government Code is amended to read:

51018. (a) Every rupture, explosion, or fire involving a pipeline, including a pipeline system otherwise exempted by subdivision (a) of Section 51010.5, and including a pipeline undergoing testing, shall be immediately reported by the pipeline operator to the fire department having fire suppression responsibilities and to the California Emergency Management Agency.

(b) (1) The Office of Emergency Services shall immediately notify the State Fire Marshal of the incident, who shall immediately dispatch State Fire Marshal employees to the scene. The State Fire Marshal or the employees, upon arrival, shall provide technical expertise and advise the operator and all public agencies on activities needed to mitigate the hazard.

(2) For purposes of this subdivision, the Legislature does not intend to hinder or disrupt the workings of the "incident commander system," but does intend to establish a recognized element of expertise and direction for the incident command to consult and acknowledge as an authority on the subject of pipeline incident mitigation. Furthermore, it is expected that the State Fire Marshal will recognize the expertise of the pipeline operator and any other emergency agency personnel who may be familiar with the particular location of the incident and respect their knowledgeable input regarding the mitigation of the incident.

(c) For purposes of this section, "rupture" includes every unintentional liquid leak, including any leak that occurs during hydrostatic testing, except that a crude oil leak of less than five barrels from a pipeline or flow line in a rural area, or any crude oil or petroleum product leak in any in-plant piping system of less than five barrels, when no fire, explosion, or bodily injury results or no waterway is contaminated thereby, does not constitute a rupture for purposes of the reporting requirements of subdivision (a).

(d) This section does not preempt any other applicable federal or state reporting requirement.

(e) Except as otherwise provided in this section and Section 8589.7, a notification made pursuant to this section shall satisfy any immediate notification requirement contained in any permit issued by a permitting agency.

(f) This section does not apply to pipeline ruptures involving nonreportable crude oil spills under Section 3233 of the Public Resources Code, unless the spill involves a fire or explosion.

SEC. 8. Section 44299.91 of the Health and Safety Code is amended to read:

44299.91. Of the funds appropriated pursuant to Item 3900-001-6053 of Section 2.00 of the Budget Act of 2007, the State Air Resources Board shall allocate the funds in accordance with all of the following:

(a) All schoolbuses in operation in the state of model year 1976 or earlier shall be replaced.

(b) (1) The funds remaining after the allocation made pursuant to subdivision (a) shall be apportioned to local air quality management districts and air pollution control districts based on the number of schoolbuses of model years 1977 to 1986, inclusive, that are in operation within each district.

(2) Each district shall determine the percentage of its allocation to spend between replacement of schoolbuses of model years 1977 to 1986, inclusive, and retrofit of schoolbuses of any model year. Of the funds spent by a district for replacement of schoolbuses pursuant to this paragraph, a district shall replace the oldest schoolbuses of model years 1977 to 1986, inclusive, within the district. Of the funds spent by a district for retrofit of schoolbuses pursuant to this paragraph, a district shall retrofit the most polluting schoolbuses within the district.

(c) All schoolbuses replaced pursuant to this section shall be scrapped.

(d) These funds shall be administered by either the California Energy Commission or the local air district.

(e) If a local air district's funds, including accrued interest, are not committed by an executed contract as reported to the State Air Resources Board on or before June 30, 2012, then those funds shall be transferred, on or before January 1, 2013, to another local air district that demonstrates an ability to expend the funds by January 1, 2014. In implementing this section, the State Air Resources Board in consultation with the local air districts shall, by September 30, 2012, establish a list of potential recipient local air districts, prioritizing local air districts with the most polluting schoolbuses and the greatest need for schoolbus funding.

(f) Each allocation made pursuant to this section to a local air district shall provide enough funding for at least one project to be implemented pursuant to the Lower-Emission School Bus Program adopted by the State Air Resources Board. In the event a local air district has unspent funds as of January 1, 2014, the local air district shall work with the State Air Resources Board to transfer the unspent funds to an alternative local air district with existing demand.

(g) Funds made available pursuant to this chapter to a local air district shall be expended by June 30, 2014.

(h) All funds not expended by a local air district by June 30, 2014, shall be returned to the State Air Resources Board.

(i) Funds authorized by the State Air Resources Board during or subsequent to the 2013–14 fiscal year shall be allocated to local air districts by prioritizing to retrofit or replace the most polluting schoolbuses in small local air districts first and then medium local air districts as defined by the State Air Resources Board. Each allocation shall provide sufficient funding for at least one project to be implemented pursuant to the Lower-Emission School Bus Program adopted by the State Air Resources Board. If a local air district has unspent funds within six months of the expenditure deadline, the local air district shall work with the State Air Resources Board to transfer those funds to an alternative local air district with existing demand.

SEC. 9. Section 12211 of the Public Contract Code is amended to read:

12211. (a) (1) Except as provided in paragraph (2), a state agency shall report annually to the board its progress in meeting the recycled product purchasing requirements using the SABRC report format provided by the Department of Resources Recycling and Recovery.

(2) The reporting requirement in paragraph (1) does not apply to the Department of Forestry and Fire Protection.

(b) On or before October 31 of each year, the department shall provide to the Department of Resources Recycling and Recovery the following information:

(1) A list, by category, of individual reportable recycled products, materials, goods, and supplies that were available for purchase by state agencies from a statewide-use contract, agreement, or schedule during the previous fiscal year.

(2) A list, by category, of all reportable products, materials, goods, and supplies that were available for purchase by state agencies from a statewide-use contract, agreement, or schedule, including contract, agreement, or schedule tracking numbers, during the previous fiscal year.

SEC. 10. Section 4124 of the Public Resources Code is repealed.

SEC. 11. Section 4515 of the Public Resources Code is repealed.

SEC. 12. Section 4785 of the Public Resources Code is amended to read:

4785. The department shall from time to time prepare reports setting forth data as to experiments conducted and the department's findings and conclusions with reference to those experiments and submit these reports to the board for its guidance and assistance in determining the policy to be followed by the board with reference to range and forage lands.

SEC. 13. Section 5018.1 of the Public Resources Code is amended to read:

5018.1. (a) Notwithstanding any other law, the Department of Finance may delegate to the department the right to exercise the same authority granted to the Division of the State Architect and the Real Estate Services Division in the Department of General Services, to plan, design, construct, and administer contracts and professional services for legislatively approved capital outlay projects.

(b) Any right afforded to the department pursuant to subdivision (a) to exercise project planning, design, construction, and administration of contracts and professional services may be revoked, in whole or in part, by the Department of Finance at any time prior to January 1, 2019.

(c) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

SEC. 14. Section 5080.18 of the Public Resources Code is amended to read:

5080.18. All concession contracts entered into pursuant to this article shall contain, but are not limited to, all of the following provisions:

(a) (1) The maximum term shall be 10 years, except that a term of more than 10 years may be provided if the director determines that the longer term is necessary to allow the concessionaire to amortize improvements

made by the concessionaire, to facilitate the full utilization of a structure that is scheduled by the department for replacement or redevelopment, or to serve the best interests of the state. The term shall not exceed 20 years without specific authorization by statute.

(2) The maximum term shall be 50 years if the concession contract is for the construction, development, and operation of multiple-unit lodging facilities equipped with full amenities, including plumbing and electrical, that is anticipated to exceed an initial cost of one million five hundred thousand dollars ($1,500,000) in capital improvements in order to begin operation. The term for a concession contract described in this paragraph shall not exceed 50 years without specific authorization by statute.

(3) Notwithstanding paragraph (1), a concession agreement at Will Rogers State Beach executed prior to December 31, 1997, including, but not limited to, an agreement signed pursuant to Section 25907 of the Government Code, may be extended to exceed 20 years in total length without specific authorization by statute, upon approval by the director and pursuant to a determination by the director that the longer term is necessary to allow the concessionaire to amortize improvements made by the concessionaire that are anticipated to exceed one million five hundred thousand dollars ($1,500,000) in capital improvements. Any extensions granted pursuant to this paragraph shall not be for more than 15 years.

(b) Every concessionaire shall submit to the department all sales and use tax returns.

(c) Every concession shall be subject to audit by the department.

(d) A performance bond shall be obtained and maintained by the concessionaire. In lieu of a bond, the concessionaire may substitute a deposit of funds acceptable to the department. Interest on the deposit shall accrue to the concessionaire.

(e) The concessionaire shall obtain and maintain in force at all times a policy of liability insurance in an amount adequate for the nature and extent of public usage of the concession and naming the state as an additional insured.

(f) Any discrimination by the concessionaire or his or her agents or employees against any person because of the marital status or ancestry of that person or any characteristic listed or defined in Section 11135 of the Government Code is prohibited.

(g) To be effective, any modification of the concession contract shall be evidenced in writing.

(h) Whenever a concession contract is terminated for substantial breach, there shall be no obligation on the part of the state to purchase any improvements made by the concessionaire.

SEC. 15. Section 5096.650 of the Public Resources Code is amended to read:

5096.650. The one billion two hundred seventy-five million dollars ($1,275,000,000) allocated pursuant to subdivision (c) of Section 5096.610 shall be available for the acquisition and development of land, air, and water resources in accordance with the following schedule:

(a) Notwithstanding Section 13340 of the Government Code, the sum of three hundred million dollars ($300,000,000) is continuously appropriated to the Wildlife Conservation Board for the acquisition, development, rehabilitation, restoration, and protection of habitat that promotes the recovery of threatened and endangered species, that provides corridors linking separate habitat areas to prevent habitat fragmentation, and that protects significant natural landscapes and ecosystems such as old growth redwoods and oak woodlands and other significant habitat areas; and for grants and related state administrative costs pursuant to the Wildlife Conservation Law of 1947 (Chapter 4 (commencing with Section 1300) of Division 2 of the Fish and Game Code). Funds scheduled in this subdivision may be used to prepare management plans for properties acquired in fee by the Wildlife Conservation Board.

(b) The sum of four hundred forty-five million dollars ($445,000,000) to the conservancies in accordance with the particular provisions of the statute creating each conservancy for the acquisition, development, rehabilitation, restoration, and protection of land and water resources; for grants and state administrative costs; and in accordance with the following schedule:

(1)	To the State Coastal Conservancy	$200,000,000
(2)	To the California Tahoe Conservancy	$ 40,000,000
(3)	To the Santa Monica Mountains Conservancy	$ 40,000,000
(4)	To the Coachella Valley Mountains Conservancy	$ 20,000,000
(5)	To the San Joaquin River Conservancy	$ 25,000,000
(6)	To the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy	$ 40,000,000
(7)	To the Baldwin Hills Conservancy	$ 40,000,000
(8)	To the San Francisco Bay Area Conservancy Program	$ 40,000,000

(c) The sum of three hundred seventy-five million dollars ($375,000,000) shall be available for grants to public agencies and nonprofit organizations for acquisition, development, restoration, and associated planning, permitting, and administrative costs for the protection and restoration of water resources in accordance with the following schedule:

(1) The sum of seventy-five million dollars ($75,000,000) to the secretary for the acquisition and development of river parkways and for protecting urban streams. The secretary shall make funds available in accordance with Sections 7048 and 78682.2 of the Water Code, and pursuant to any other applicable statutory authorization. Not less than five million dollars ($5,000,000) shall be available for grants for the urban streams program, pursuant to Section 7048 of the Water Code.

(2) The sum of three hundred million dollars ($300,000,000) shall be available for the purposes of clean beaches, watershed protection, and water quality projects to protect beaches, coastal waters, rivers, lakes, and streams from contaminants, pollution, and other environmental threats.

(d) (1) The sum of fifty million dollars ($50,000,000) to the State Air Resources Board for grants to air districts pursuant to Chapter 9 (commencing with Section 44275) of Part 5 of Division 26 of the Health and Safety Code for projects that reduce air pollution that affects air quality in state and local park and recreation areas. Eligible projects shall meet the requirements of Section 16727 of the Government Code and shall be consistent with Section 43023.5 of the Health and Safety Code, if Assembly Bill 1390 of the 2001–02 Regular Session of the Legislature is enacted on or before January 1, 2003. Each air district shall be eligible for grants of not less than two hundred thousand dollars ($200,000). Not more than 5 percent of the funds allocated to an air district may be used to cover the costs associated with implementing the grant program.

(2) Allocations of funds pursuant to this subdivision to the Lower-Emission School Bus Program shall be prioritized to retrofit or replace the most polluting schoolbuses in small air districts first and then to medium air districts as defined by the State Air Resources Board. Each allocation for this purpose shall provide enough funding for at least one project to be implemented pursuant to the Lower-Emission School Bus Program adopted by the State Air Resources Board. If a local air district has unspent funds within six months of the expenditure deadline, the air district shall work with the State Air Resources Board to transfer funds to an alternative air district with existing demand.

(e) The sum of twenty million dollars ($20,000,000) to the California Conservation Corps for the acquisition, development, restoration, and rehabilitation of land and water resources, and for grants and state administrative costs in accordance with the following schedule:

(1) The sum of five million dollars ($5,000,000) shall be available for resource conservation activities.

(2) The sum of fifteen million dollars ($15,000,000) shall be available for grants to local conservation corps for acquisition and development of facilities to support local conservation corps programs.

(f) The sum of seventy-five million dollars ($75,000,000) shall be available for grants for the preservation of agricultural lands and grazing lands, including oak woodlands and grasslands.

(g) The sum of ten million dollars ($10,000,000) to the Department of Forestry and Fire Protection for grants for urban forestry programs pursuant to the California Urban Forestry Act of 1978 (Chapter 2 (commencing with Section 4799.06) of Part 2.5 of Division 1).

SEC. 16. Section 14538 of the Public Resources Code is amended to read:

14538. (a) (1) The department shall certify the operators of recycling centers pursuant to this section.

(2) The department shall review whether an application for certification or renewal is complete within 30 working days of receipt, including compliance with subdivision (c). If the department deems an application complete, the department shall approve or deny the application no later than 60 calendar days after the date when the application was deemed complete.

(b) The director shall adopt, by regulation, a procedure for the certification of recycling centers, including standards and requirements for certification. These regulations shall require that all information be submitted to the department under penalty of perjury. A recycling center shall meet all of the standards and requirements contained in the regulations for certification. The regulations shall require, but shall not be limited to requiring, that all of the following conditions be met for certification:

(1) The operator of the recycling center demonstrates, to the satisfaction of the department, that the operator will operate in accordance with this division.

(2) If one or more certified entities have operated at the same location within the past five years, the operations at the location of the recycling center exhibit, to the satisfaction of the department, a pattern of operation in compliance with the requirements of this division and regulations adopted pursuant to this division.

(3) The operator of the recycling center notifies the department promptly of any material change in the nature of his or her operations which conflicts with information submitted in the operator's application for certification.

(c) (1) On and after January 1, 2014, an applicant for certification as a recycling center, and a recycling center applying for renewal of a certification, shall complete the precertification training program required by this subdivision and meet all other qualification requirements prescribed by the department, which may include, but are not limited to, requiring the applicant to obtain a passing score on an examination administered by the department.

(2) The department may use staff or industry experts, or may seek expertise available in other state agencies, to provide the training program required by this subdivision, which shall include providing technical assistance to better prepare recycling centers for successful participation in this division, thereby reducing the potential for errors, fraud, or other activities that compromise the integrity of the implementation of this division.

(d) A certified recycling center shall comply with all of the following requirements for operation:

(1) The operator of the recycling center shall not pay a refund value for, or receive a refund value from any processor for, any food or drink packaging material or any beverage container or other product that does not have a refund value established pursuant to Section 14560.

(2) The operator of a recycling center shall take those actions that satisfy the department to prevent the payment of a refund value for any food or drink packaging material or any beverage container or other product that does not have a refund value established pursuant to Section 14560.

(3) Unless exempted pursuant to subdivision (b) of Section 14572, a certified recycling center shall accept, and pay at least the refund value for, all empty beverage containers, regardless of type.

(4) A certified recycling center shall not pay any refund values, processing payments, or administrative fees to a noncertified recycler.

(5) A certified recycling center shall not pay any refund values, processing payments, or administrative fees on empty beverage containers or other containers that the certified recycling center knew, or should have known, were coming into the state from out of the state.

(6) A certified recycling center shall not claim refund values, processing payments, or administrative fees on empty beverage containers that the certified recycling center knew, or should have known, were received from noncertified recyclers or on beverage containers that the certified recycling center knew, or should have known, come from out of the state.

(7) A certified recycling center shall prepare and maintain the following documents involving empty beverage containers, as specified by the department by regulation:

(A) Shipping reports that are required to be prepared by the recycling center, or that are required to be obtained from other recycling centers.

(B) Consumer transaction receipts.

(C) Consumer transaction logs.

(D) Rejected container receipts on materials subject to this division.

(E) Receipts for transactions with beverage manufacturers on materials subject to this division.

(F) Receipts for transactions with beverage distributors on materials subject to this division.

(G) Documents authorizing the recycling center to cancel empty beverage containers.

(H) Weight tickets.

(8) In addition to the requirements of paragraph (7), a certified recycling center shall cooperate with the department and make available its records of scrap transactions when the review of these records is necessary for an audit or investigation by the department.

(e) The department may recover, in restitution pursuant to paragraph (5) of subdivision (c) of Section 14591.2, payments made from the fund to the certified recycling center pursuant to Section 14573.5 that are based on the documents specified in paragraph (7), that are not prepared or maintained in compliance with the department's regulations, and that do not allow the department to verify claims for program payments.

(f) The department may certify a recycling center that will operate less than 30 hours a week, as specified in paragraph (2) of subdivision (b) of Section 14571.

SEC. 17. Section 14539 of the Public Resources Code is amended to read:

14539. (a) (1) The department shall certify processors pursuant to this section.

(2) The department shall review whether an application for certification or renewal is complete within 30 working days of receipt, including compliance with subdivision (c). If the department deems an application complete, the department shall approve or deny the application no later than 60 calendar days after the date when the application was deemed complete.

(b) The director shall adopt, by regulation, requirements and standards for certification. The regulations shall require, but shall not be limited to requiring, that all of the following conditions be met for certification:

(1) The processor demonstrates to the satisfaction of the department that the processor will operate in accordance with this division.

(2) If one or more certified entities have operated at the same location within the past five years, the operations at the location of the processor exhibit, to the satisfaction of the department, a pattern of operation in compliance with the requirements of this division and regulations adopted pursuant to this division.

(3) The processor notifies the department promptly of any material change in the nature of the processor's operations that conflicts with the information submitted in the operator's application for certification.

(c) (1) On and after January 1, 2014, an applicant for certification as a processor and a processor applying for renewal of a certification shall complete the precertification training program required by this subdivision and meet all other qualification requirements prescribed by the department, which may include, but are not limited to, requiring the applicant to obtain a passing score on an examination administered by the department.

(2) The department may use staff or industry experts, or may seek expertise available in other state agencies, to provide the training program required by this subdivision, which shall include providing technical assistance to better prepare processors for successful participation in this division, thereby reducing the potential for errors, fraud, or other activities which compromise the integrity of the implementation of this division.

(d) A certified processor shall comply with all of the following requirements for operation:

(1) The processor shall not pay a refund value for, or receive a refund value from the department for, any food or drink packaging material or any beverage container or other product that does not have a refund value established pursuant to Section 14560.

(2) The processor shall take those actions that satisfy the department to prevent the payment of a refund value for any food or drink packaging material or any beverage container or other product that does not have a refund value established pursuant to Section 14560.

(3) Unless exempted pursuant to subdivision (b) of Section 14572, the processor shall accept, and pay at least the refund value for, all empty beverage containers, regardless of type, for which the processor is certified.

(4) A processor shall not pay any refund values, processing payments, or administrative fees to a noncertified recycler. A processor may pay refund values, processing payments, or administrative fees to any entity that is identified by the department on its list of certified recycling centers.

(5) A processor shall not pay any refund values, processing payments, or administrative fees on empty beverage containers or other containers that the processor knew, or should have known, were coming into the state from out of the state.

(6) A processor shall not claim refund values, processing payments, or administrative fees on empty beverage containers that the processor knew, or should have known, were received from noncertified recyclers or on beverage containers that the processor knew, or should have known, come from out of the state. A processor may claim refund values, processing payments, or administrative fees on any empty beverage container that does not come from out of the state and that is received from any entity that is identified by the department on its list of certified recycling centers.

(7) A processor shall take the actions necessary and approved by the department to cancel containers to render them unfit for redemption.

(8) A processor shall prepare or maintain the following documents involving empty beverage containers, as specified by the department by regulation:

(A) Shipping reports that are required to be prepared by the processor or that are required to be obtained from recycling centers.

(B) Processor invoice reports.

(C) Cancellation verification documents.

(D) Documents authorizing recycling centers to cancel empty beverage containers.

(E) Processor-to-processor transaction receipts.

(F) Rejected container receipts on materials subject to this division.

(G) Receipts for transactions with beverage manufacturers on materials subject to this division.

(H) Receipts for transactions with distributors on materials subject to this division.

(I) Weight tickets.

(9) In addition to the requirements of paragraph (7), a processor shall cooperate with the department and make available its records of scrap transactions when the review of these records is necessary for an audit or investigation by the department.

(e) The department may recover, in restitution pursuant to paragraph (5) of subdivision (c) of Section 14591.2, any payments made by the department to the processor pursuant to Section 14573 that are based on the documents specified in paragraph (8) of subdivision (b) of this section, that are not prepared or maintained in compliance with the department's regulations, and that do not allow the department to verify claims for program payments.

SEC. 18. Section 14549.5 of the Public Resources Code is amended to read:

14549.5. On or before April 1, 2004, and annually thereafter, or more frequently as determined to be necessary by the department, the department shall review and, if necessary in order to ensure payment of the most accurate commingled rate feasible, recalculate commingled rates paid for beverage containers and postfilled containers paid to curbside recycling programs and collection programs. Prior to recalculating a commingled rate pursuant to this section, the department shall do all of the following:

(a) Consult with private and public operators of curbside recycling programs and collection programs concerning the size of the statewide

sample, appropriate sampling methodologies, and alternatives to exclusive reliance on a statewide commingled rate.

(b) At least 60 days prior to the effective date of any new commingled rate, hold a public hearing, after giving notice, to make available to the public and affected parties the department's review and any proposed recalculations of the commingled rate.

(c) At least 60 days prior to the effective date of any new commingled rate, and upon the request of any party, make available documentation or studies which were prepared as part of the department's review of a commingled rate.

(d) (1) Notwithstanding this division, the department may calculate a curbside recycling program commingled rate pursuant to this subdivision for bimetal containers and a combined commingled rate for all plastic beverage containers displaying the resin identification code "3," "4," "5," "6," or "7" pursuant to Section 18015.

(2) The department may enter into a contract for the services required to implement the amendments to this section made by Chapter 753 of the Statutes of 2003. The department may not expend more than two hundred fifty thousand dollars ($250,000) for each year of the contract. The contract shall be paid only from revenues derived from redemption payments and processing fees paid on plastic beverage containers displaying the resin identification code "3," "4," "5," "6," or "7" pursuant to Section 18015. If the department determines that insufficient funds will be available from these revenues, after refund values are paid to processors and the reduction is made in the processing fee pursuant to subdivision (e) of Section 14575 for these containers, the department may determine not to calculate a commingled rate pursuant to this subdivision.

SEC. 19. Section 14553 of the Public Resources Code is amended to read:

14553. (a) Except as provided in subdivision (b), all reports, claims, and other information required pursuant to this division and submitted to the department shall be complete, legible, and accurate, as determined by the department by regulation, and shall be signed, by an officer, director, managing employee, or owner of the certified recycling center, processor, distributor, beverage manufacturer, container manufacturer, or other entity.

(b) Notwithstanding subdivision (a), a person submitting the reports, claims, and other information specified in subdivision (a) shall use the Division of Recycling Integrated Information System (DORIIS) or other system designated by the department for reporting, making, or claiming payments, or providing other information required pursuant to this division.

(c) The department may inspect the operations, processes, and records of an entity required to submit a report to the department pursuant to this division to determine the accuracy of the report and compliance with the requirements of this division.

(d) (1) A violation of this section is subject to the penalties specified in Section 14591.1.

(2) The department may take an enforcement action against a certified recycling center or processor that fails to comply with this section, including, but not limited to, imposing penalties, denying claims for payment, or terminating the certification of the certified recycling center or processor.

SEC. 20. Section 14572 of the Public Resources Code is amended to read:

14572. (a) (1) Except as provided in subdivision (b), a certified recycling center shall accept from any consumer or dropoff or collection program any empty beverage container, and shall pay to the consumer or dropoff or collection program the refund value of the beverage container.

(2) Except as provided in paragraph (3), the recycling center may pay the refund value based on the weight of returned containers.

(3) On and after September 1, 2013, for beverage containers redeemed by consumers, a certified recycling center shall pay the refund value using the applicable segregated rate, as defined in paragraph (43) of subsection (a) of Section 2000 of Title 14 of the California Code of Regulations, as that section read on September 1, 2013, which shall be based on the weight of the redeemed beverage containers.

(b) Any recycling center or processor that was in existence on January 1, 1986, and that refused, as of January 1, 1986, to accept at a particular location a certain type of empty beverage container may continue to refuse to accept at the location the type or types of empty beverage containers that the recycling center or processor refused to accept as of January 1, 1986. A certified recycling center that refuses, pursuant to this subdivision, to accept a certain type or types of empty beverage containers is not eligible to receive handling fees unless the center agrees to accept all types of empty beverage containers and is a supermarket site. This subdivision does not preclude the certified recycling center from receiving a handling fee for beverage containers redeemed at supermarket sites that do accept all types of containers.

(c) The department shall develop procedures by which recycling centers and processors that meet the criteria of subdivision (b) may recertify to change the material types accepted.

(d) (1) Only a certified recycling center may pay the refund value to consumers or dropoff or collection programs. A person shall not pay a noncertified recycler for empty beverage containers an amount that exceeds the current scrap value for each container type, which shall be determined in the following manner:

(A) For a plastic or glass beverage container, the current scrap value shall be determined by the department.

(B) For an aluminum beverage container, the current scrap value shall be not greater than the amount paid to the processor for that aluminum beverage container, on the date the container was purchased, by the location of end use, as defined in the regulations of the department.

(2) A person shall not receive or retain, for empty beverage containers that come from out of state, any refund values, processing payments, or

administrative fees for which a claim is made to the department against the fund.

(3) Paragraph (1) does not affect curbside programs under contract with cities or counties.

SEC. 21. Section 14591 of the Public Resources Code is amended to read:

14591. (a) Except as provided in subdivision (b), in addition to any other applicable civil or criminal penalties, a person convicted of a violation of this division, or a regulation adopted pursuant to this division, is guilty of an infraction, which is punishable by a fine of one hundred dollars ($100) for each initial separate violation and not more than one thousand dollars ($1,000) for each subsequent separate violation per day.

(b) (1) Every person who, with intent to defraud, knowingly takes any of the following actions is guilty of a crime:

(A) Submits a false or fraudulent claim for payment pursuant to Section 14573 or 14573.5.

(B) Fails to accurately report the number of beverage containers sold, as required by subdivision (b) of Section 14550.

(C) Fails to make payments as required by Section 14574.

(D) Redeems out-of-state containers, rejected containers, line breakage, or containers that have already been redeemed.

(E) Returns redeemed containers to the California marketplace for redemption.

(F) Brings out-of-state containers, rejected containers, or line breakage to the California marketplace for redemption.

(G) Submits a false or fraudulent claim for handling fee payments pursuant to Section 14585.

(2) If the money obtained or withheld pursuant to paragraph (1) exceeds nine hundred fifty dollars ($950), a person convicted of a crime pursuant to paragraph (1) is subject to punishment by imprisonment in a county jail for not more than one year, by a fine not exceeding ten thousand dollars ($10,000), or by both that fine and imprisonment, or by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code for 16 months, 2 years, or 3 years, by a fine not exceeding twenty-five thousand dollars ($25,000) or twice the late or unmade payments plus interest, whichever is greater, or by both that fine and imprisonment. If the money obtained or withheld pursuant to paragraph (1) equals, or is less than, nine hundred fifty dollars ($950), the person is subject to punishment by imprisonment in a county jail for not more than six months, by a fine not exceeding one thousand dollars ($1,000), or by both that fine and imprisonment.

(c) For purposes of this section and Chapter 8.5 (commencing with Section 14595), “line breakage” and “rejected container” have the same meanings as defined in the regulations adopted or amended by the department pursuant to this division.

SEC. 22. Section 25711.5 is added to the Public Resources Code, to read:

25711.5. In administering moneys in the fund for research, development, and demonstration programs under this chapter, the commission shall develop and implement the Electric Program Investment Charge (EPIC) program to do all of the following:

(a) Award funds for projects that will benefit electricity ratepayers and lead to technological advancement and breakthroughs to overcome the barriers that prevent the achievement of the state's statutory energy goals and that result in a portfolio of projects that is strategically focused and sufficiently narrow to make advancement on the most significant technological challenges that shall include, but not be limited to, energy storage, renewable energy and its integration into the electrical grid, energy efficiency, integration of electric vehicles into the electrical grid, and accurately forecasting the availability of renewable energy for integration into the grid.

(b) In consultation with the Treasurer, establish terms that shall be imposed as a condition to receipt of funding for the state to accrue any intellectual property interest or royalties that may derive from projects funded by the EPIC program. The commission, when determining if imposition of the proposed terms is appropriate, shall balance the potential benefit to the state from those terms and the effect those terms may have on the state achieving its statutory energy goals. The commission shall require each reward recipient, as a condition of receiving moneys pursuant to this chapter, to agree to any terms the commission determines are appropriate for the state to accrue any intellectual property interest or royalties that may derive from projects funded by the EPIC program.

(c) Require each applicant to report how the proposed project may lead to technological advancement and potential breakthroughs to overcome barriers to achieving the state's statutory energy goals.

(d) Establish a process for tracking the progress and outcomes of each funded project, including an accounting of the amount of funds spent by program administrators and individual grant recipients on administrative and overhead costs and whether the project resulted in any technological advancement or breakthrough to overcome barriers to achieving the state's statutory energy goals.

(e) Notwithstanding Section 10231.5 of the Government Code, prepare and submit to the Legislature no later than April 30 of each year an annual report in compliance with Section 9795 of the Government Code that shall include all of the following:

(1) A brief description of each project for which funding was awarded in the immediately prior calendar year, including the name of the recipient and the amount of the award, a description of how the project is thought to lead to technological advancement or breakthroughs to overcome barriers to achieving the state's statutory energy goals, and a description of why the project was selected.

(2) A brief description of each project funded by the EPIC program that was completed in the immediately prior calendar year, including the name

of the recipient, the amount of the award, and the outcomes of the funded project.

(3) A brief description of each project funded by the EPIC program for which an award was made in the previous years but that is not completed, including the name of the recipient and the amount of the award, and a description of how the project will lead to technological advancement or breakthroughs to overcome barriers to achieving the state's statutory energy goals.

(4) Identification of the award recipients that are California-based entities, small businesses, or businesses owned by women, minorities, or disabled veterans.

(5) Identification of which awards were made through a competitive bid, interagency agreement, or sole source method, and the action of the Joint Legislative Budget Committee pursuant to paragraph (2) of subdivision (g) for each award made through an interagency agreement or sole source method.

(6) Identification of the total amount of administrative and overhead costs incurred for each project.

(f) Establish requirements to minimize program administration and overhead costs, including costs incurred by program administrators and individual grant recipients. Each program administrator and grant recipient, including a public entity, shall be required to justify actual administration and overhead costs incurred, even if the total costs incurred do not exceed a cap on those costs that the commission may adopt.

(g) (1) The commission shall use a sealed competitive bid as the preferred method to solicit project applications and award funds pursuant to the EPIC program.

(2) (A) The commission may use a sole source or interagency agreement method if the project cannot be described with sufficient specificity so that bids can be evaluated against specifications and criteria set forth in a solicitation for bid and if both of the following conditions are met:

(i) The commission, at least 60 days prior to making an award pursuant to this subdivision, notifies the Joint Legislative Budget Committee and the relevant policy committees in both houses of the Legislature, in writing, of its intent to take the proposed action.

(ii) The Joint Legislative Budget Committee either approves or does not disapprove the proposed action within 60 days from the date of notification required by clause (i).

(B) It is the intent of the Legislature to enact this paragraph to ensure legislative oversight for awards made on a sole source basis, or through an interagency agreement.

(3) Notwithstanding any other law, standard terms and conditions that generally apply to contracts between the commission and any entities, including state entities, do not automatically preclude the award of moneys from the fund through the sealed competitive bid method.

SEC. 23. Section 25711.7 is added to the Public Resources Code, to read:

25711.7. (a) The Public Utilities Commission shall not require the collection of funds pursuant to its Decision 12-05-037 (May 24, 2012), Phase 2 Decision Establishing Purposes and Governance for Electric Program Investment Charge and Establishing Funding Collections for 2013–2020, as corrected by Decision 12-07-001 (July 3, 2012), Order Correcting Error, and as modified by Decision 13-04-030 (April 18, 2013), Order Modifying Decision (D.) 12-05-037, and Denying Rehearing of Decision, as Modified, in an annual amount greater than the amount specified in those decisions.

(b) This section does not modify, alter, or, in any way, affect the operation of Section 25712.

SEC. 24. Section 25751 of the Public Resources Code is amended to read:

25751. (a) The Renewable Resource Trust Fund is hereby created in the State Treasury.

(b) The Emerging Renewable Resources Account is hereby established within the Renewable Resources Trust Fund. Notwithstanding Section 13340 of the Government Code, the moneys in the account are hereby continuously appropriated to the commission without regard to fiscal years for the following purposes:

(1) To close out the award of incentives for emerging technologies in accordance with former Section 25744, as this law existed prior to the enactment of the Budget Act of 2012, for which applications had been approved before the enactment of the Budget Act of 2012.

(2) To close out consumer education activities in accordance with former Section 25746, as this law existed prior to the enactment of the Budget Act of 2012.

(3) To provide funding for the New Solar Homes Partnership pursuant to paragraph (3) of subdivision (e) of Section 2851 of the Public Utilities Code.

(c) The Controller shall provide to the commission funds pursuant to the continuous appropriation in, and for purposes specified in, subdivision (b).

(d) The Controller shall provide to the commission moneys from the fund sufficient to satisfy all contract and grant awards that were made by the commission pursuant to former Sections 25744 and 25746, and Chapter 8.8 (commencing with Section 25780), as these laws existed prior to the enactment of the Budget Act of 2012.

SEC. 25. Section 26052 of the Public Resources Code is amended to read:

26052. “Applicant” means, for the purposes of Article 2 (commencing with Section 26060), a public agency as defined in paragraph (3) of subdivision (c) of Section 5898.20 of the Streets and Highways Code, or an entity administering a PACE loan program on behalf of and with written consent of a public agency, and, for the purposes of Article 3 (commencing with Section 26070), a financial institution providing a loan pursuant to that chapter to finance the installation of distributed generation renewable energy sources, electric vehicle charging infrastructure, or energy or water efficiency improvements.

SEC. 26. Section 26055 of the Public Resources Code is amended to read:

26055. "PACE program" means a program established by an applicant that is financed by the PACE bond or a PACE loan program regardless of funding sources.

SEC. 27. Section 26060 of the Public Resources Code is amended to read:

26060. (a) The authority shall develop and administer a PACE Reserve program to reduce overall costs to the property owners of PACE bonds issued by an applicant by providing a reserve of no more than 10 percent of the initial principal amount of the PACE bond.

(b) The authority shall develop and administer a PACE risk mitigation program for PACE loans to increase their acceptance in the marketplace and protect against the risk of default and foreclosure.

SEC. 28. Section 26062 of the Public Resources Code is amended to read:

26062. An applicant shall submit to the authority an application providing a detailed description of the PACE program, a detailed description of the transactional activities associated with the PACE bond issuance, including all transactional costs, information regarding any credit enhancement or loan insurance associated with a PACE loan program, and other information deemed necessary by the authority.

SEC. 29. Section 26063 of the Public Resources Code is amended to read:

26063. (a) In evaluating eligibility, the authority shall consider whether the applicant's PACE program includes the following conditions:

(1) Loan recipients are legal owners of underlying property.

(2) Loan recipients are current on mortgage and property tax payments.

(3) Loan recipients are not in default or in bankruptcy proceedings.

(4) Loans are for less than 10 percent of the value of the property.

(5) The property is within the geographical boundaries of the PACE program.

(6) The program offers financing for energy efficiency improvements or electric vehicle charging infrastructure.

(7) Improvements financed by the program follow applicable standards of energy efficiency retrofit work, including any guidelines adopted by the State Energy Resources Conservation and Development Commission.

(b) In evaluating an application, the authority shall consider all of the following factors:

(1) The use by the PACE program of best practices, adopted by the authority, to qualify eligible properties for participation in underwriting the PACE program.

(2) The cost efficiency of the applicant's PACE program, including bond issuance, credit enhancement, or loan insurance.

(3) The projected number of jobs created by the PACE program.

(4) The applicant's PACE program requirements for quality assurance and consumer protection as related to achieving efficiency and clean energy production.

(5) The mechanisms by which savings produced by this program are passed on to the property owners.

(6) Any other factors deemed appropriate by the authority.

SEC. 30. Section 35600 of the Public Resources Code is amended to read:

35600. (a) The Ocean Protection Council is established in state government. The council consists of the Secretary of the Natural Resources Agency, the Secretary for Environmental Protection, the Chair of the State Lands Commission, and two members of the public appointed by the Governor.

(b) The two public members shall each serve a term of four years, and may each be reappointed to one additional term. The public members of the board shall be appointed on the basis of their educational and professional qualifications and their general knowledge of, interest in, and experience in the protection and conservation of coastal waters and ocean ecosystems. One of the public members shall have a scientific professional background and experience in coastal and ocean ecosystems.

(c) Except as provided in this section, members of the council shall serve without compensation. A member shall be reimbursed for actual and necessary expenses incurred in the performance of his or her duties, and in addition shall be compensated at one hundred dollars ($100) for each day during which the member is engaged in the performance of official duties of the council. Payment for actual and necessary expenses shall be paid only to the extent that those expenses are not provided or payable by another public agency. The total number of days for which a member shall be compensated may not exceed 25 days in any one fiscal year.

SEC. 31. Section 35605 of the Public Resources Code is amended to read:

35605. The Secretary of the Natural Resources Agency shall serve as the chairperson of the council, and the Secretary for Environmental Protection shall serve as the vice chairperson of the council. The Assistant Secretary for Coastal Matters at the Natural Resources Agency shall be designated as the Deputy Secretary of the Natural Resources Agency for Ocean and Coastal Policy, and the deputy secretary shall also serve as the executive director for the council.

SEC. 32. Section 35625 of the Public Resources Code is amended to read:

35625. (a) Under the direction of the Secretary of the Natural Resources Agency, the council shall administer its affairs, and provide the staff services that the council needs to carry out this division, including, but not limited to, both of the following:

(1) Administering grants and expenditures authorized by the council from the fund or other sources, including, but not limited to, block grants from other state boards, commissions, or departments.

(2) Arranging meetings, agendas, and other administrative functions in support of the council.

(b) The Legislature may make appropriations to be used for the purposes of this division directly to the Secretary of the Natural Resources Agency, for expenditures authorized by the council. If an expenditure has been approved by the council for the purposes of this division, approval of the secretary is not required, except in the case of block grants provided by the council to be administered by the secretary.

(c) Any bond funds received by the State Coastal Conservancy, on or before July 1, 2013, which authorized the use of funds for council programs, shall be transferred to the Natural Resources Agency for use for those programs.

(d) (1) The Legislature finds and declares that, on the effective date of the act adding this subdivision during the 2013–14 Regular Session, various contracts and grants will be pending or remain subject to management and control by the State Coastal Conservancy on behalf of the council. On and after that date, the Secretary of the Natural Resources Agency is hereby designated as the legal successor to the State Coastal Conservancy, and the Secretary of the Natural Resources Agency shall assume management and control of those contracts and grants and shall have all of the same powers and duties as the State Coastal Conservancy.

(2) In addition to the powers and duties described in paragraph (1), on and after the effective date of the act adding this subdivision during the 2013–14 Regular Session, the Secretary of the Natural Resources Agency shall have the following powers and duties on behalf of the council:

(A) The management of all contracts and grants, including the completion, modification, and cancellation of those contracts and grants in accordance with existing law.

(B) The negotiation and settlement of claims relating to contracts and grants.

(C) Responsibility for the completion, maintenance, and disposal of any records relating to the transfer of responsibilities from the State Coastal Conservancy to the Natural Resources Agency.

SEC. 33. Section 42977 of the Public Resources Code is amended to read:

42977. (a) The carpet stewardship organization submitting a carpet stewardship plan shall pay the department a quarterly administrative fee. The department shall set the fee at an amount that, when paid by every carpet stewardship organization that submits a carpet stewardship plan, is adequate to cover the department's full costs of administering and enforcing this chapter, including any program development costs or regulatory costs incurred by the department prior to carpet stewardship plans being submitted. The department may establish a variable fee based on relevant factors, including, but not limited to, the portion of carpets sold in the state by members of the organization compared to the total amount of carpet sold in the state by all organizations submitting a carpet stewardship plan.

(b) The total amount of fees collected annually pursuant to this section shall not exceed the amount necessary to recover costs incurred by the department in connection with the administration and enforcement of the requirements of this chapter.

(c) The department shall identify the direct development or regulatory costs it incurs pursuant to this chapter prior to the submittal of a carpet stewardship plan and shall establish a fee in an amount adequate to cover those costs, which shall be paid by a carpet stewardship organization that submits a carpet stewardship plan. The fee established pursuant to this subdivision shall be paid pursuant to the schedule specified in subdivision (d).

(d) A carpet stewardship organization subject to this section shall pay a quarterly fee to the department to cover the administrative and enforcement costs of the requirements of this chapter pursuant to subdivision (a) on or before July 1, 2012, and every three months thereafter and the applicable portion of the fee pursuant to subdivision (c) on July 1, 2012, and every three months thereafter through July 1, 2014. Each year after the initial payment, the total amount of the administrative fees paid for a calendar year may not exceed 5 percent of the aggregate assessments collected for the preceding calendar year.

(e) The department shall deposit the fees collected pursuant to this section into the Carpet Stewardship Account created pursuant to Section 42977.1.

SEC. 34. Section 48704 of the Public Resources Code is amended to read:

48704. (a) The department shall review the plan within 90 days of receipt, and make a determination whether or not to approve the plan. The department shall approve the plan if it provides for the establishment of a paint stewardship program that meets the requirements of Section 48703.

(b) (1) The approved plan shall be a public record, except that financial, production, or sales data reported to the department by a manufacturer or the stewardship organization is not a public record under the California Public Records Act, as described in Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code and shall not be open to public inspection.

(2) Notwithstanding paragraph (1), the department may release a summary form of financial, production, or sales data if it does not disclose financial, production, or sales data of a manufacturer or stewardship organization.

(c) On or before July 1, 2012, or three months after a plan is approved pursuant to subdivision (a), whichever date is later, the manufacturer or stewardship organization shall implement the architectural paint stewardship program described in the approved plan.

(d) The department shall enforce this chapter.

(e) (1) The stewardship organization shall pay the department a quarterly administrative fee pursuant to paragraph (2).

(2) The department shall impose fees in an amount that is sufficient to cover the full administrative and enforcement costs of the requirements of this chapter, including any program development costs or regulatory costs

incurred by the department prior to the submittal of the stewardship plans. The stewardship organization shall pay the fee on or before the last day of the month following the end of each quarter. Fee revenues collected under this section shall only be used to administer and enforce this chapter.

(f) (1) A civil penalty may be administratively imposed by the department on any person who violates this chapter in an amount of up to one thousand dollars ($1,000) per violation per day.

(2) A person who intentionally, knowingly, or negligently violates this chapter may be assessed a civil penalty by the department of up to ten thousand dollars ($10,000) per violation per day.

SEC. 35. The Legislature hereby finds and declares all of the following:

(a) Environmental literacy enhances a citizen's ability to make informed decisions with an understanding that humans depend on natural systems and human actions influence natural systems in both beneficial and detrimental ways.

(b) Environmentally literate citizens are better able to make wise individual and collective decisions to conserve natural resources and protect environmental and human health.

(c) An environmentally literate citizenry is essential to confronting and overcoming the environmental challenges of the 21st century.

(d) An environmentally literate citizenry, consisting of technological innovators, entrepreneurs, scientists, and engineers, as well as environmentally conscientious consumers, supports a vibrant state economy and drives California's role as a leader in the emerging global green marketplace.

(e) A model environmental curriculum, also known as the Education and the Environment Curriculum (curriculum) was developed by the California Environmental Protection Agency, in cooperation with the State Department of Education and the Natural Resources Agency, to increase environmental literacy among pupils in kindergarten and grades 1 to 12, inclusive.

(f) The curriculum is the first environment-based curriculum of its kind in the nation to receive State Board of Education approval.

(g) There are many benefits of enhanced environmental literacy, and the curriculum materials, along with training and support, should be made readily available to any educator in California who wishes to teach the curriculum.

(h) To achieve this goal, the Department of Resources Recycling and Recovery should collaborate across agencies and disciplines, including, but not limited to, the California Environmental Protection Agency, the State Department of Education, and the Natural Resources Agency.

(i) The state should seek to develop strong partnerships with the private sector, including nonprofit organizations, associations, businesses, and private entities, in order to support use of the curriculum and increase environmental literacy.

SEC. 36. Section 71300 of the Public Resources Code is amended to read:

71300. (a) For purposes of this part, the following definitions shall apply:

(1) "Department" means the Department of Resources Recycling and Recovery.

(2) "Office" means the Office of Education and the Environment of the Department of Resources Recycling and Recovery, as established pursuant to this section.

(3) "Program" means the statewide environmental education program prescribed in this part.

(b) The Office of Education and the Environment previously established in the California Environmental Protection Agency is hereby established in the Department of Resources Recycling and Recovery. The office shall dedicate its effort to implementing the statewide environmental education program prescribed pursuant to this part, including the integrated waste educational requirements specified in paragraph (9) of subdivision (b) of Section 71301. The office, through staffing and resources, shall give a high priority to implementing the statewide environmental education program.

(c) The office, under the direction of the department, in cooperation with the State Department of Education and the State Board of Education, shall develop and implement a unified education strategy on the environment for elementary and secondary schools in the state. The office shall develop a unified education strategy to do all of the following:

(1) Coordinate instructional resources and strategies for providing active pupil participation with onsite conservation efforts.

(2) Promote service-learning opportunities between schools and local communities.

(3) Assess the impact to participating pupils of the unified education strategy on pupil achievement and resource conservation.

(d) The State Department of Education and the State Board of Education, in cooperation with the department, shall develop and implement to the extent feasible, a teacher training and implementation plan, to guide the implementation of the unified education strategy, for the education of pupils, faculty, and administrators on the importance of integrating environmental concepts and programs in schools throughout the state. The strategy shall project the phased implementation of elementary, middle, and high school programs.

(e) In implementing this part, the office may hold public meetings to receive and respond to comments from affected state agencies, stakeholders, and the public regarding the development of resources and materials pursuant to this part.

(f) In implementing this part, the office shall coordinate with other agencies and groups with expertise in education and the environment.

(g) Any instructional materials developed pursuant to this part shall be subject to the requirements of Chapter 1 (commencing with Section 60000) of Part 33 of Division 4 of Title 2 of the Education Code, including, but not limited to, reviews for legal and social compliance before the materials may be used in elementary or secondary public schools.

SEC. 37. Section 71301 of the Public Resources Code is amended to read:

71301. (a) As part of the unified education strategy specified in subdivision (c) of Section 71300, the office, in cooperation with the Secretary for Environmental Protection, the Natural Resources Agency, the State Department of Education, and the State Board of Education, shall develop education principles for the environment for elementary and secondary school pupils. The principles may be updated every four years beginning July 1, 2008. The principles shall be aligned to the academic content standards adopted by the State Board of Education pursuant to Section 60605 of the Education Code. The principles shall be used to do all of the following:

(1) To direct state agencies that include environmental education components for elementary and secondary education in regulatory decisions or enforcement actions.

(2) To align state agency environmental education programs and materials that are developed for elementary and secondary education.

(b) The education principles for the environment shall include, but not be limited to, concepts relating to the following topics:

(1) Environmental sustainability.
(2) Water.
(3) Air.
(4) Energy.
(5) Forestry.
(6) Fish and wildlife resources.
(7) Oceans.
(8) Toxics and hazardous waste.
(9) Integrated waste management.
(10) Integrated pest management.
(11) Public health and the environment.
(12) Pollution prevention.
(13) Resource conservation and recycling.
(14) Environmental justice.

(c) The principles shall be aligned to the applicable academic content standards adopted by the State Board of Education and shall not duplicate or conflict with any academic content standards.

(d) (1) The education principles for the environment shall be incorporated, as the State Board of Education determines to be appropriate, in criteria developed for textbook adoption required pursuant to Section 60200 or 60400 of the Education Code in science, mathematics, English/language arts, and history/social sciences.

(2) If the State Board of Education determines that the education principles for the environment are not appropriate for inclusion in the textbook adoption criteria cited in paragraph (1), the State Board of Education shall collaborate with the office to make the changes necessary to ensure that the principles are included in the textbook adoption criteria in science, mathematics, English/language arts, and history/social sciences.

(e) If the content standards required pursuant to Section 60605 of the Education Code are revised, the education principles for the environment shall be appropriately considered for inclusion into part of the revised academic content standards.

SEC. 38. Section 71302 of the Public Resources Code is amended to read:

71302. (a) Using the education principles for the environment required to be developed pursuant to Section 71301, the office, in cooperation with the Secretary for Environmental Protection, the Natural Resources Agency, the State Department of Education, and the State Board of Education, shall develop a model environmental curriculum that incorporates these education principles for the environment. The model curriculum shall be aligned with applicable State Board of Education adopted academic content standards in science, mathematics, English/language arts, and history/social sciences, to the extent that any of those content areas are addressed in the model curriculum.

(b) The model curriculum shall be submitted to the Instructional Quality Commission for review. The commission shall submit its recommendation to the Secretary for Environmental Protection and to the Secretary of the Natural Resources Agency.

(1) The Secretary for Environmental Protection and the Secretary of the Natural Resources Agency shall review and comment on the model curriculum.

(2) The model curriculum along with the comments by the Secretary for Environmental Protection and the Secretary of the Natural Resources Agency shall be submitted to the State Board of Education for its approval.

SEC. 39. Section 71303 of the Public Resources Code is amended to read:

71303. (a) As determined appropriate by the Superintendent of Public Instruction, the State Department of Education shall incorporate into publications that provide examples of curriculum resources for teacher use, those materials developed by the office that provide information on the education principles for the environment developed pursuant to Section 71300.

(b) If the Superintendent of Public Instruction determines that materials developed by the office that provide information on the education principles for the environment are not appropriate for inclusion in publications that provide examples of curriculum resources for teacher use, the Superintendent of Public Instruction shall collaborate with the office to make the changes necessary to ensure that the materials are included in that information.

(c) Pursuant to Section 71302, the department shall coordinate with the Secretary for Environmental Protection, the Superintendent of Public Instruction, the State Department of Education, and the Secretary of the Natural Resources Agency to facilitate use of the model environmental curriculum by elementary and secondary schools to the extent that funds are available for this purpose.

(d) The department, the Secretary for Environmental Protection, the Superintendent of Public Instruction, the State Department of Education, and the Secretary of the Natural Resources Agency may collaborate with other federal, state, and local entities, and nongovernmental entities including nonprofit organizations, associations, businesses, individuals, and private entities, and may enter into interagency agreements, memoranda of understanding, and contracts to ensure implementation of this part.

(e) The department shall make the model curriculum available electronically on the department's Internet Web site. The State Department of Education shall make readily identifiable on its Internet Web site a link to the department's Internet Web site containing the curriculum.

(f) The State Department of Education, to the extent feasible and to the extent that funds are available for this purpose, shall encourage the development and use of instructional materials and active pupil participation in campus and community environmental education programs. To the extent feasible, the environmental education programs should be considered in the development and promotion of after school programs for elementary and secondary school pupils and state and local professional development activities to provide teachers with content background and resources to assist in teaching about the environment.

(g) The State Department of Education shall explore implementation of this section from its baseline resources dedicated to this purpose and if funding is not available from that source, then funding may be provided to the department, pursuant to appropriation by the Legislature, under Section 71305.

SEC. 40. Section 71304 of the Public Resources Code is amended to read:

71304. (a) The office, in coordination with the Secretary for Environmental Protection, shall be responsible for the statewide coordination of regulatory administrative decisions that require the development or encourage the promotion of environmental education for elementary and secondary school pupils.

(b) All California Environmental Protection Agency or Natural Resources Agency boards, departments, or offices that take regulatory actions or take enforcement actions requiring the development of, or encouraging the promotion of, environmental education for elementary and secondary school pupils shall, prior to adoption or approval of the action, seek comments on the action from the office in order to promote consistency with this part and cross-media coordination.

(c) The office shall coordinate with all state agencies to develop and distribute environmental education materials.

SEC. 41. Section 71305 of the Public Resources Code, as added by Section 23 of Chapter 718 of the Statutes of 2010, is amended to read:

71305. (a) The Environmental Education Account is hereby established within the State Treasury. Moneys in the account may, upon appropriation by the Legislature, be expended by the department for the purposes of this

part. The Director of Resources Recycling and Recovery shall administer this part, including, but not limited to, the account.

(b) Notwithstanding any other law to the contrary, the department may accept and receive federal, state, and local funds and contributions of funds from a public or private organization or individual. The account may also receive proceeds from a judgment, settlement, fine, penalty, or other mechanism, in state or federal court, when the funds are contributed or the judgment specifies that the proceeds are to be used for the purposes of this part. The account may receive those funds, contributions, or proceeds from judgments, that are specifically designated for use for environmental education purposes. Private contributors shall not have the authority to further influence or direct the use of their contributions.

(c) Notwithstanding any other law, a state agency that requires the development of, or encourages the promotion of, environmental education for elementary and secondary school pupils, may contribute to the account.

(d) The department shall immediately deposit any funds contributed pursuant to subdivision (b) into the account.

(e) The Legislature finds and declares that the maintenance of the account is of the utmost importance to the state and that it is essential that any moneys in the account be used solely for the purposes authorized in this section and not be used, loaned, or transferred for any other purposes. Further, state agencies that promote environmental education for elementary and secondary school pupils will benefit from the environmental curriculum adopted pursuant to this part and should provide equitable and balanced support for the program.

SEC. 42. Section 309.5 of the Public Utilities Code is amended to read:

309.5. (a) There is within the commission an independent Office of Ratepayer Advocates to represent and advocate on behalf of the interests of public utility customers and subscribers within the jurisdiction of the commission. The goal of the office shall be to obtain the lowest possible rate for service consistent with reliable and safe service levels. For revenue allocation and rate design matters, the office shall primarily consider the interests of residential and small commercial customers.

(b) The director of the office shall be appointed by, and serve at the pleasure of, the Governor, subject to confirmation by the Senate.

The director shall annually appear before the appropriate policy committees of the Assembly and the Senate to report on the activities of the office.

(c) The director shall develop a budget for the office that shall be subject to final approval of the Department of Finance. As authorized in the approved budget, the office shall employ personnel and resources, including attorneys and other legal support staff, at a level sufficient to ensure that customer and subscriber interests are effectively represented in all significant proceedings. The office may employ experts necessary to carry out its functions. The director may appoint a lead attorney who shall represent the office, and shall report to and serve at the pleasure of the director. The lead attorney for the office shall obtain adequate legal personnel for the work to

be conducted by the office from the commission's attorney appointed pursuant to Section 307. The commission's attorney shall timely and appropriately fulfill all requests for legal personnel made by the lead attorney for the office, provided the office has sufficient moneys and positions in its budget for the services requested.

(d) The commission shall develop appropriate procedures to ensure that the existence of the office does not create a conflict of roles for any employee. The procedures shall include, but shall not be limited to, the development of a code of conduct and procedures for ensuring that advocates and their representatives on a particular case or proceeding are not advising decisionmakers on the same case or proceeding.

(e) The office may compel the production or disclosure of any information it deems necessary to perform its duties from any entity regulated by the commission, provided that any objections to any request for information shall be decided in writing by the assigned commissioner or by the president of the commission, if there is no assigned commissioner.

(f) There is hereby created the Public Utilities Commission Ratepayer Advocate Account in the General Fund. Moneys from the Public Utilities Commission Utilities Reimbursement Account in the General Fund shall be transferred in the annual Budget Act to the Public Utilities Commission Ratepayer Advocate Account. The funds in the Public Utilities Commission Ratepayer Advocate Account shall be a budgetary program fund administered and utilized exclusively by the office in the performance of its duties as determined by the director. The director shall annually submit a staffing report containing a comparison of the staffing levels for each five-year period.

(g) On or before January 10 of each year, the office shall provide to the chairperson of the fiscal committee of each house of the Legislature and to the Joint Legislative Budget Committee all of the following information:

(1) The number of personnel years utilized during the prior year by the Office of Ratepayer Advocates.

(2) The total dollars expended by the Office of Ratepayer Advocates in the prior year, the estimated total dollars expended in the current year, and the total dollars proposed for appropriation in the following budget year.

(3) Workload standards and measures for the Office of Ratepayer Advocates.

(h) The office shall meet and confer in an informal setting with a regulated entity prior to issuing a report or pleading to the commission regarding alleged misconduct, or a violation of a law or a commission rule or order, raised by the office in a complaint. The meet and confer process shall be utilized in good faith to reach agreement on issues raised by the office regarding any regulated entity in the complaint proceeding.

SEC. 43. Section 318 is added to the Public Utilities Code, to read:

318. The commission shall conduct a zero-based budget for all of its programs by January 10, 2015. The zero-based budget shall be completed for the entire commission, rather than on a division-by-division basis.

SEC. 44. (a) The Legislature finds and declares that the purpose of adding Section 740.5 to the Public Utilities Code is to limit the implementation of the Public Utilities Commission Decision 12-12-031 (December 20, 2012), Decision Granting Authority to Enter Into a Research and Development Agreement with Lawrence Livermore National Laboratory for 21st Century Energy Systems and for costs up to $152.19 million so that:

(1) No research and development projects other than for the purposes of cyber security and grid integration shall be funded by ratepayers as a result of Decision 12-12-031.

(2) Total funding for research and development projects for the purposes of cyber security and grid integration shall not exceed $35 million over the five-year research period.

(3) Those program management expenditures proposed, commencing with page seven, in the joint advice letter filed by the state's three largest electrical corporations, Advice 3379-G/4215-E (Pacific Gas and Electric Company), Advice 2887-E (Southern California Edison Company), and Advice 2473-E (San Diego Gas and Electric Company), dated April 19, 2013, be voided.

(4) Project managers be limited to three representatives, one representative each from Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company.

(5) The Lawrence Livermore National Laboratory, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company ensure that research parameters reflect a new contribution to cyber security and that there not be a duplication of research being done by other private and governmental entities.

(b) Nothing in this act authorizes the Public Utilities Commission's adoption of Decision 12-12-031.

SEC. 45. Section 740.5 is added to the Public Utilities Code, to read:

740.5. (a) For purposes of this section, "21st Century Energy System Decision" means commission Decision 12-12-031 (December 20, 2012), Decision Granting Authority to Enter Into a Research and Development Agreement with Lawrence Livermore National Laboratory for 21st Century Energy Systems and for costs up to $152.19 million, or any subsequent decision in Application 11-07-008 (July 18, 2011), Application of Pacific Gas and Electric Company (U39M), San Diego Gas and Electric Company (U902E), and Southern California Edison Company (U338E) for Authority to Increase Electric Rates and Charges to Recover Costs of Research and Development Agreement with Lawrence Livermore National Laboratory for 21st Century Energy Systems.

(b) In implementing the 21st Century Energy System Decision, the commission shall not authorize recovery from ratepayers of any expense for research and development projects that are not for purposes of cyber security and grid integration. Total funding for research and development projects for the purposes of cyber security and grid integration pursuant to the 21st Century Energy System Decision shall not exceed thirty-five million

dollars ($35,000,000). All cyber security and grid integration research and development projects shall be concluded by the fifth anniversary of their start date.

(c) The commission shall not approve for recovery from ratepayers, those program management expenditures proposed, commencing with page seven, in the joint advice letter filed by the state's three largest electrical corporations, Advice 3379-G/4215-E (Pacific Gas and Electric Company), Advice 2887-E (Southern California Edison Company), and Advice 2473-E (San Diego Gas and Electric Company), dated April 19, 2013. Project managers for the 21st Century Energy System Decision shall be limited to three representatives, one representative each from Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company.

(d) The commission shall require the Lawrence Livermore National Laboratory, as a condition for entering into any contract pursuant to the 21st Century Energy System Decision, and Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company to ensure that research parameters reflect a new contribution to cyber security and that there not be a duplication of research being done by other private and governmental entities.

(e) (1) The commission shall require each participating electrical corporation to prepare and submit to the commission by December 1, 2013, a joint report on the scope of all proposed research projects, how the proposed project may lead to technological advancement and potential breakthroughs in cyber security and grid integration, and the expected timelines for concluding the projects. The commission shall, within 30 days of receiving the joint report, determine whether the report is sufficient or requires revision, and upon determining that the report is sufficient submit the report to the Legislature in compliance with Section 9795 of the Government Code.

(2) The commission shall require each participating electrical corporation to prepare and submit to the commission by 60 days following the conclusion of all research and development projects, a joint report summarizing the outcome of all funded projects, including an accounting of expenditures by the project managers and grant recipients on administrative and overhead costs and whether the project resulted in any technological advancements or breakthroughs in promoting cyber security and grid integration. The commission shall, within 30 days of receiving the joint report, determine whether the report is sufficient or requires revision, and upon determining that the report is sufficient, submit the report to the Legislature in compliance with Section 9795 of the Government Code.

(3) This subdivision shall become inoperable January 1, 2023, pursuant to Section 10231.5 of the Government Code.

SEC. 46. Section 854.5 is added to the Public Utilities Code, to read:

854.5. (a) For purposes of this section, a "nonstate entity" means a company, corporation, partnership, firm, or other entity or group of entities, whether organized for profit or not for profit.

(b) The commission, by order, decision, motion, settlement, or other action, shall not establish a nonstate entity with any moneys other than those moneys that would otherwise belong to the public utility's shareholders. A nonstate entity to be created with moneys from a public utility's shareholders shall be subject to a 30-day review by the Joint Legislative Budget Committee prior to creation. This subdivision does not limit the authority of the commission to form an advisory committee or other body whose budget is subject to oversight by the commission and the Department of Finance.

(c) The commission shall not enter into a contract with a nonstate entity in which a person serves as an owner, director, or officer while serving as a commissioner. Any contract between the commission and a nonstate entity shall be void and cease to exist by operation of law, if a commissioner, who was a commissioner at the time the contract was awarded, entered into, or extended, becomes, on or after January 1, 2014, an owner, director, or officer of the nonstate entity while serving as a commissioner.

(d) Beginning June 1, 2014, a commissioner who acts as an owner, director, or officer of a nonstate entity that was established prior to January 1, 2014, as a result of an order, decision, motion, settlement, or other action by the commission in which the commissioner participated, neglects his or her duty pursuant to Section 1 of Article XII of the California Constitution, for which the commissioner may be removed pursuant to that section.

SEC. 47. Section 2120 is added to the Public Utilities Code, to read:

2120. (a) The commission shall not distribute, expend, or encumber any moneys received by the commission as a result of any commission proceeding or judicial action, including the compromise or settlement of a claim, until both of the following are true:

(1) The commission has provided the Director of Finance with written notification of the receipt of the moneys and the basis for those moneys being received by the commission.

(2) The Director of Finance provides not less than 60 days' written notice to the Chairperson of the Joint Legislative Budget Committee and the chairs of the appropriate budget subcommittees of the Senate and Assembly of the receipt of the moneys and the basis for those moneys being received by the commission.

(b) This section does not apply to application or licensing fees charged by the commission to defray regulatory expenses.

(c) This section does not apply to moneys received by the commission in a court-approved settlement or as a result of a court judgment where the court orders that the moneys be used for specified purposes.

(d) This section does not apply to moneys received by the commission where statutes expressly provide how the moneys are to be paid or used, including all of the following:

(1) Payment to any fund created by Chapter 1.5 (commencing with Section 270).

(2) Payment to any account or fund pursuant to Chapter 2.5 (commencing with Section 401).

(3) Payment to the Ratepayer Relief Fund pursuant to Article 9.5 (commencing with Section 16428.1) of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code.

SEC. 48. Section 2851 of the Public Utilities Code is amended to read:

2851. (a) In implementing the California Solar Initiative, the commission shall do all of the following:

(1) The commission shall authorize the award of monetary incentives for up to the first megawatt of alternating current generated by solar energy systems that meet the eligibility criteria established by the State Energy Resources Conservation and Development Commission pursuant to Chapter 8.8 (commencing with Section 25780) of Division 15 of the Public Resources Code. The commission shall determine the eligibility of a solar energy system, as defined in Section 25781 of the Public Resources Code, to receive monetary incentives until the time the State Energy Resources Conservation and Development Commission establishes eligibility criteria pursuant to Section 25782. Monetary incentives shall not be awarded for solar energy systems that do not meet the eligibility criteria. The incentive level authorized by the commission shall decline each year following implementation of the California Solar Initiative, at a rate of no less than an average of 7 percent per year, and shall be zero as of December 31, 2016. The commission shall adopt and publish a schedule of declining incentive levels no less than 30 days in advance of the first decline in incentive levels. The commission may develop incentives based upon the output of electricity from the system, provided those incentives are consistent with the declining incentive levels of this paragraph and the incentives apply to only the first megawatt of electricity generated by the system.

(2) The commission shall adopt a performance-based incentive program so that by January 1, 2008, 100 percent of incentives for solar energy systems of 100 kilowatts or greater and at least 50 percent of incentives for solar energy systems of 30 kilowatts or greater are earned based on the actual electrical output of the solar energy systems. The commission shall encourage, and may require, performance-based incentives for solar energy systems of less than 30 kilowatts. Performance-based incentives shall decline at a rate of no less than an average of 7 percent per year. In developing the performance-based incentives, the commission may:

(A) Apply performance-based incentives only to customer classes designated by the commission.

(B) Design the performance-based incentives so that customers may receive a higher level of incentives than under incentives based on installed electrical capacity.

(C) Develop financing options that help offset the installation costs of the solar energy system, provided that this financing is ultimately repaid in full by the consumer or through the application of the performance-based rebates.

(3) By January 1, 2008, the commission, in consultation with the State Energy Resources Conservation and Development Commission, shall require reasonable and cost-effective energy efficiency improvements in existing

buildings as a condition of providing incentives for eligible solar energy systems, with appropriate exemptions or limitations to accommodate the limited financial resources of low-income residential housing.

(4) Notwithstanding subdivision (g) of Section 2827, the commission may develop a time-variant tariff that creates the maximum incentive for ratepayers to install solar energy systems so that the system's peak electricity production coincides with California's peak electricity demands and that ensures that ratepayers receive due value for their contribution to the purchase of solar energy systems and customers with solar energy systems continue to have an incentive to use electricity efficiently. In developing the time-variant tariff, the commission may exclude customers participating in the tariff from the rate cap for residential customers for existing baseline quantities or usage by those customers of up to 130 percent of existing baseline quantities, as required by Section 80110 of the Water Code. Nothing in this paragraph authorizes the commission to require time-variant pricing for ratepayers without a solar energy system.

(b) Notwithstanding subdivision (a), in implementing the California Solar Initiative, the commission may authorize the award of monetary incentives for solar thermal and solar water heating devices, in a total amount up to one hundred million eight hundred thousand dollars ($100,800,000).

(c) (1) In implementing the California Solar Initiative, the commission shall not allocate more than fifty million dollars ($50,000,000) to research, development, and demonstration that explores solar technologies and other distributed generation technologies that employ or could employ solar energy for generation or storage of electricity or to offset natural gas usage. Any program that allocates additional moneys to research, development, and demonstration shall be developed in collaboration with the Energy Commission to ensure there is no duplication of efforts, and adopted by the commission through a rulemaking or other appropriate public proceeding. Any grant awarded by the commission for research, development, and demonstration shall be approved by the full commission at a public meeting. This subdivision does not prohibit the commission from continuing to allocate moneys to research, development, and demonstration pursuant to the self-generation incentive program for distributed generation resources originally established pursuant to Chapter 329 of the Statutes of 2000, as modified pursuant to Section 379.6.

(2) The Legislature finds and declares that a program that provides a stable source of monetary incentives for eligible solar energy systems will encourage private investment sufficient to make solar technologies cost effective.

(3) On or before June 30, 2009, and by June 30th of every year thereafter, the commission shall submit to the Legislature an assessment of the success of the California Solar Initiative program. That assessment shall include the number of residential and commercial sites that have installed solar thermal devices for which an award was made pursuant to subdivision (b) and the dollar value of the award, the number of residential and commercial sites that have installed solar energy systems, the electrical generating capacity

of the installed solar energy systems, the cost of the program, total electrical system benefits, including the effect on electrical service rates, environmental benefits, how the program affects the operation and reliability of the electrical grid, how the program has affected peak demand for electricity, the progress made toward reaching the goals of the program, whether the program is on schedule to meet the program goals, and recommendations for improving the program to meet its goals. If the commission allocates additional moneys to research, development, and demonstration that explores solar technologies and other distributed generation technologies pursuant to paragraph (1), the commission shall include in the assessment submitted to the Legislature, a description of the program, a summary of each award made or project funded pursuant to the program, including the intended purposes to be achieved by the particular award or project, and the results of each award or project.

(d) (1) The commission shall not impose any charge upon the consumption of natural gas, or upon natural gas ratepayers, to fund the California Solar Initiative.

(2) Notwithstanding any other provision of law, any charge imposed to fund the program adopted and implemented pursuant to this section shall be imposed upon all customers not participating in the California Alternate Rates for Energy (CARE) or family electric rate assistance (FERA) programs, including those residential customers subject to the rate cap required by Section 80110 of the Water Code for existing baseline quantities or usage up to 130 percent of existing baseline quantities of electricity.

(3) The costs of the program adopted and implemented pursuant to this section may not be recovered from customers participating in the California Alternate Rates for Energy or CARE program established pursuant to Section 739.1, except to the extent that program costs are recovered out of the nonbypassable system benefits charge authorized pursuant to Section 399.8.

(e) In implementing the California Solar Initiative, the commission shall ensure that the total cost over the duration of the program does not exceed three billion five hundred fifty million eight hundred thousand dollars ($3,550,800,000). The financial components of the California Solar Initiative shall consist of the following:

(1) Programs under the supervision of the commission funded by charges collected from customers of San Diego Gas and Electric Company, Southern California Edison Company, and Pacific Gas and Electric Company. The total cost over the duration of these programs shall not exceed two billion three hundred sixty-six million eight hundred thousand dollars ($2,366,800,000) and includes moneys collected directly into a tracking account for support of the California Solar Initiative.

(2) Programs adopted, implemented, and financed in the amount of seven hundred eighty-four million dollars ($784,000,000), by charges collected by local publicly owned electric utilities pursuant to Section 387.5. Nothing in this subdivision shall give the commission power and jurisdiction with respect to a local publicly owned electric utility or its customers.

(3) Programs for the installation of solar energy systems on new construction (New Solar Homes Partnership Program), administered by the Energy Commission, and funded by charges in the amount of four hundred million dollars ($400,000,000), collected from customers of San Diego Gas and Electric Company, Southern California Edison Company, and Pacific Gas and Electric Company. If the commission is notified by the Energy Commission that funding available pursuant to Section 25751 of the Public Resources Code for the New Solar Homes Partnership Program has been exhausted, the commission may require an electrical corporation to continue administration of the program pursuant to the guidelines established for the program by the Energy Commission, until the funding limit authorized by this paragraph has been reached. The commission, in consultation with the Energy Commission, shall supervise the administration of the continuation of the New Solar Homes Partnership Program by an electrical corporation. An electrical corporation may elect to have a third party, including the Energy Commission, administer the utility's continuation of the New Solar Homes Partnership Program. After the exhaustion of funds, the Energy Commission shall notify the Joint Legislative Budget Committee 30 days prior to the continuation of the program.

(4) The changes made to this subdivision by the act adding this paragraph do not authorize the levy of a charge or any increase in the amount collected pursuant to any existing charge, nor do the changes add to, or detract from, the commission's existing authority to levy or increase charges.

SEC. 49. Section 5900 of the Public Utilities Code is amended to read:

5900. (a) The holder of a state franchise shall comply with the provisions of Sections 53055, 53055.1, 53055.2, and 53088.2 of the Government Code, and any other customer service standards pertaining to the provision of video service established by federal law or regulation or adopted by subsequent enactment of the Legislature. All customer service and consumer protection standards under this section shall be interpreted and applied to accommodate newer or different technologies while meeting or exceeding the goals of the standards.

(b) The holder of a state franchise shall comply with provisions of Section 637.5 of the Penal Code and the privacy standards contained in Section 551 and following of Title 47 of the United States Code.

(c) The local entity shall enforce all of the customer service and protection standards of this section with respect to complaints received from residents within the local entity's jurisdiction, but it may not adopt or seek to enforce any additional or different customer service or other performance standards under Section 53055.3 or subdivision (q), (r), or (s) of Section 53088.2 of the Government Code, or any other authority or provision of law.

(d) The local entity shall, by ordinance or resolution, provide a schedule of penalties for any material breach by a holder of a state franchise of this section. No monetary penalties shall be assessed for a material breach if it is out of the reasonable control of the holder. Further, no monetary penalties may be imposed prior to January 1, 2007. Any schedule of monetary penalties adopted pursuant to this section shall in no event exceed five

hundred dollars ($500) for each day of each material breach, not to exceed one thousand five hundred dollars ($1,500) for each occurrence of a material breach. However, if a material breach of this section has occurred, and the local entity has provided notice and a fine or penalty has been assessed, and if a subsequent material breach of the same nature occurs within 12 months, the penalties may be increased by the local entity to a maximum of one thousand dollars ($1,000) for each day of each material breach, not to exceed three thousand dollars ($3,000) for each occurrence of the material breach. If a third or further material breach of the same nature occurs within those same 12 months, and the local entity has provided notice and a fine or penalty has been assessed, the penalties may be increased to a maximum of two thousand five hundred dollars ($2,500) for each day of each material breach, not to exceed seven thousand five hundred dollars ($7,500) for each occurrence of the material breach. With respect to video providers subject to a franchise or license, any monetary penalties assessed under this section shall be reduced dollar-for-dollar to the extent any liquidated damage or penalty provision of a current cable television ordinance, franchise contract, or license agreement imposes a monetary obligation upon a video provider for the same customer service failures, and no other monetary damages may be assessed.

(e) The local entity shall give the video service provider written notice of any alleged material breach of the customer service standards of this division and allow the video provider at least 30 days from receipt of the notice to remedy the specified material breach.

(f) A material breach for the purposes of assessing penalties shall be deemed to have occurred for each day within the jurisdiction of each local entity, following the expiration of the period specified in subdivision (e), that any material breach has not been remedied by the video service provider, irrespective of the number of customers or subscribers affected.

(g) Any penalty assessed pursuant to this section shall be remitted to the local entity, which shall submit one-half of the penalty to the Digital Divide Account established in Section 280.5.

(h) Any interested person may seek judicial review of a decision of the local entity in a court of appropriate jurisdiction. For this purpose, a court of law shall conduct a de novo review of any issues presented.

(i) This section shall not preclude a party affected by this section from utilizing any judicial remedy available to that party without regard to this section. Actions taken by a local legislative body, including a local franchising entity, pursuant to this section shall not be binding upon a court of law. For this purpose, a court of law shall conduct de novo review of any issues presented.

(j) For purposes of this section, “material breach” means any substantial and repeated failure of a video service provider to comply with service quality and other standards specified in subdivision (a).

(k) The Office of Ratepayer Advocates shall have authority to advocate on behalf of video subscribers regarding renewal of a state-issued franchise and enforcement of this section, and Sections 5890 and 5950. For this

purpose, the office shall have access to any information in the possession of the commission subject to all restrictions on disclosure of that information that are applicable to the commission.

SEC. 50. The Legislature finds and declares all of the following:

(a) The Department of Transportation owns real property commonly known as 2829 Juan Street, San Diego, which served as the department's District 11 administrative headquarters until 2006.

(b) Subsequently, the Department of Transportation constructed a new District 11 administrative headquarters and relocated its staff to the new facility, and no longer needs the property at 2829 Juan Street, and is desirous of transferring it.

(c) It has cost the Department of Transportation over five hundred thousand dollars ($500,000) to continue to own and maintain the property at 2829 Juan Street, and future annual costs to maintain the property will be at least eighty thousand dollars ($80,000) annually. It is also estimated to cost between three million dollars ($3,000,000) and six million dollars ($6,000,000) to remove antiquated and obsolete buildings and fixtures from the property.

(d) The property at 2829 Juan Street is immediately adjacent to property owned by the Department of Parks and Recreation, which is operated as Old Town San Diego State Historic Park and which is one of the most popular and most visited parks in the state park system.

(e) The Department of Parks and Recreation desires to have the property at 2829 Juan Street transferred to it, so that it can be incorporated into Old Town San Diego State Historic Park, or developed in a manner than complements the state park.

(f) It is adequate consideration for the Department of Transportation to transfer the property at 2829 Juan Street to the Department of Parks and Recreation if the recipient department assumes all ongoing maintenance and ownership liabilities as well as all future development costs, including the removal of all structures and fixtures that the recipient department concludes are not consistent with the development of Old Town San Diego State Historic Park.

SEC. 51. Section 104.22 is added to the Streets and Highways Code, to read:

104.22. (a) Notwithstanding any other law, the Department of Transportation shall, consistent with Article XIX of the California Constitution, transfer to the Department of Parks and Recreation the real property in the City of San Diego between Taylor Street and Wallace Street and between Juan Street and Calhoun Street, which was acquired for highway purposes and which was previously used by the department as its District 11 administrative headquarters, and which is commonly known as 2829 Juan Street, San Diego.

(b) The real property transferred pursuant to subdivision (a) shall be incorporated into the state park system upon its transfer to the Department of Parks and Recreation.

(c) On and after the date of transfer, the Department of Transportation shall have no continuing obligation relating to the ownership, maintenance, or control of the transferred real property, and all obligations of ownership, maintenance, and control shall thereafter be borne by the Department of Parks and Recreation.

(d) The transfer of the real property required by this section shall be completed within 90 days of the effective date of the act enacting this section in the 2013–14 Regular Session of the Legislature.

(e) The transfer of the real property required by this section serves a public purpose.

SEC. 52. Section 10001.7 is added to the Water Code, to read:

10001.7. The Director of Finance shall notify the Joint Legislative Budget Committee of any hydroelectric power project relicensing proposal for the Federal Energy Regulatory Commission that, if approved by the department, would obligate the General Fund in the current or future years. The department may approve that relicensing proposal not less than 30 days after the Director of Finance notifies the Joint Legislative Budget Committee.

SEC. 53. Section 85200 of the Water Code is amended to read:

85200. (a) The Delta Stewardship Council is hereby established as an independent agency of the state.

(b) The council shall consist of seven voting members, of which four members shall be appointed by the Governor and confirmed by the Senate, one member shall be appointed by the Senate Committee on Rules, one member shall be appointed by the Speaker of the Assembly, and one member shall be the Chairperson of the Delta Protection Commission. Initial appointments to the council shall be made by July 1, 2010.

(c) (1) (A) The initial terms of two of the four members appointed by the Governor shall be four years.

(B) The initial terms of two of the four members appointed by the Governor shall be six years.

(C) The initial terms of the members appointed by the Senate Committee on Rules and the Speaker of the Assembly shall be four years.

(D) Upon the expiration of each term described in subparagraphs (A), (B), or (C), the term of each succeeding member shall be four years.

(2) The Chairperson of the Delta Protection Commission shall serve as a member of the council for the period during which he or she holds the position as commission chairperson.

(d) Any vacancy shall be filled by the appointing authority within 60 days. If the term of a council member expires, and no successor is appointed within the allotted timeframe, the existing member may serve up to 180 days beyond the expiration of his or her term.

(e) The council members shall select a chairperson from among their members, who shall serve for not more than four years in that capacity.

(f) The council shall meet once a month in a public forum. At least two meetings each year shall take place at a location within the Delta.

SEC. 54. Section 34 of Chapter 718 of the Statutes of 2010 is repealed.

SEC. 55. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 56. The balance of the appropriation made in Schedule (1) of Item 3850-301-6051 of Section 2.00 of the Budget Act of 2010 (Chapter 724, Statutes 2010) is hereby reappropriated to the Coachella Valley Mountains Conservancy, to be available for expenditure for capital outlay or local assistance until June 30, 2016.

SEC. 57. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

O